

£7m appeal planned for Aintree

A £7m world-wide appeal to save the Grand National from the Jockey Club. An Aintree Trust, headed by Lord Derby, will handle the funds, which have to be raised by November 1.

Central America initiative awaited

Washington is awaiting the results of Sunday's elections in El Salvador before pursuing efforts to find a negotiated settlement to the conflict in Central America. Mexico is trying to arrange talks between the United States and Nicaragua.

Change of venue for Reagan

The Government has withdrawn the suggestion that President Reagan might address both Houses of Parliament in Westminster Hall during his visit in June. He will be invited instead to speak in the Royal Gallery, adjacent to the Lords.

Tory attack on GLC budget

The Conservative-controlled London Borough of Kensington and Chelsea asked the Divisional Court to declare the Greater London Council's budget for 1982-83 illegal and to force the Law Lords' ruling on the GLC's cheap fares policy.

New candidates are confirmed

Labour's National Executive Committee has confirmed the choice of two prospective candidates to replace Mr Frederick Mulley, MP for Sheffield, Park, and former Secretary of State for Defence, and Mr Frank Hooley, MP for Sheffield, Healey.

£2,600m gamble on racing

Part three of 'The Times' series on the racing industry looks at the world of gambling; how Britons wager £2,600m annually; and why, contrary to popular belief, not all bookmakers thrive.

Banking rescue

The full extent of the operation by the Bank of England and the clearing banks to rescue the so-called secondary banks in 1973-75 is only now being appreciated. Margaret Reid reveals that the Bank of England set aside about £100m in its accounts for the possible cost to itself of the crisis.

State pay row

Trouble is brewing over the wage increases for chiefs of nationalized industries after the publication of a White Paper which showed that pay for state chairmen was falling further behind the private sector.

'The Times'

In earlier editions yesterday advertisements on two pages designed for overseas news and sport. This was due to production difficulties for which we apologize.

Leader page, 13

Letters: On Arab unrest, from Sir Anthony Manning, and the Israeli Charge d'Affaires; cable television, from Mr D. Widdicombe, QC, and Mr R. J. D. Johnson; Falklands, from Air Commodore B. G. Frow.

Leading articles: China and Russia; MPs' pay

Features, page 12 Julian Amery recalls Britain's lost chances in Europe; Ronald Butt says the SDP are missing their prime target; the misleading crime statistics.

Obituary, page 14

Sir Keith Showering, Herr Konrad Wolf.

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Begin may call early election after failure in Knesset

From Christopher Walker, Jerusalem, March 24

Mr Menachem Begin, the Israeli Prime Minister, said today that there was now no alternative but to bring forward the next general election, not due to be held until 1983. Although he gave no specific date, the Prime Minister speculated that a new poll would be held within a year.

Mr Begin was speaking informally to a small group of reporters in the Israeli Parliament. He admitted frankly that he did not think his Government could survive indefinitely with the present voting balance of 60 to 60 in the 120-seat Knesset, especially as a number of key issues were soon coming up. Mr Begin emphasized his belief that a new election would strengthen the position of his right-wing Likud group over the opposition Labour Party. Recent opinion polls have shown the Government faring strongly against Labour.

A senior government official said later that among matters which had still to be decided was whether a new election would be held by a resignation of the Government, or by a formal motion to dissolve the Knesset. Intense political discussions on the subject are expected over the next few weeks. However, no action is likely until the final Israeli withdrawal from Sinai, due on April 26—providing the Government can survive its present precarious position in Parliament.

The new atmosphere of politics was caused by last night's vote, which gave the Government no confidence in the Government's handling of events in the occupied West Bank which was won 58-58. Mr Begin explained today that although he had wanted to resign last night, he had been overruled by his Cabinet colleagues.

An analysis of the voting shows that it was not left-wing opposition which upset the Begin Government but the rightwingers who, although

outside the coalition, have usually given it their support in vital votes. Meanwhile tension in the West Bank and the Gaza Strip continued to grow more dangerous today, with riots spreading and three more Arab youths shot dead by Israelis.

Some political observers said tonight that one purpose behind Mr Begin's remarks might be to try and scare those minority parties such as Telem, who voted against the Government last night but would be likely to suffer badly at any early poll.

Mr Shimon Peres, the Labour leader, has announced that he intends to pursue every effort to try and overthrow the Government. However, political observers think it is unlikely that Labour could form a viable alternative coalition with the present Knesset membership.

London: To the great irritation of a group of ten British Members of Parliament are travelling to the Middle East at the invitation of the Palestine Liberation Organization (PLO) (David Cross writes).

The fact-finding mission will enable the MPs to meet Mr Yassir Arafat, the PLO leader, as well as Arab mayors and intellectuals in Israeli-occupied territory.

Mr Nabil Ramizawi, the PLO representative in London, who was at Heathrow airport to see the MPs off yesterday, said he had heard that the Israeli Ambassador to Britain had tried to put pressure on the party not to go to the West Bank. But an Israeli Embassy spokesman has denied that any representations had been made.

New York: The United Nations Security Council was meeting tonight to try to find a way to stem the wave of violence in the West Bank. Arab youths shot, page 8 Letters, page 13

Final polls favour Jenkins today

From Anthony Bevins, Glasgow

The voters of Glasgow, Hillhead, will today go to the polls to elect a Member of Parliament. In the knowledge that they have confused the newspaper and party-political polls.

Two further polls being published this morning by the Daily Mail and The Sun, showing a significant lead for Mr Roy Jenkins of the Social Democrats-Liberal Alliance last 24 hours after The Daily Telegraph's Gallup poll suggested a 6.5 per cent Labour lead for Mr David Wiseman.

The Sun poll, conducted by Audience and Selections by telephone on Tuesday, gave the Alliance 35 per cent, Conservatives 29 per cent and SNP 11 per cent, suggesting a majority of about 1,800.

On past by-election form, such rungs-poll day prediction may well help the Alliance by promoting a further swing as tactical voters muster behind an expected winner.

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Science report

Energy of the pancake stars

by the Staff of "Nature"

A spectacular new discovery has been made at the theoretical physics level. The energy of the stars falls into the massive black holes at the centre of galaxies.

According to Dr B. Carter and Dr J. Luminet, the Paris Observatory, the energy of the stars is released in a pancake shape by tidal forces and is even more intense than believed hitherto.

Quasars are the most energetic extragalactic objects known. Most astronomers now believe that they are extremely distant objects emitting vast quantities of energy. The light from quasars has been seen to vary over periods of a year or less, leading to the conclusion that the source must be as small as the distance the light can travel in that time.

That implies that an amount of radiation equivalent to that emitted by a billion of our suns is coming from a volume of space not much larger than enclosing our solar system. Closer to us, galaxies appear to have small nuclei radiating great amounts of energy.

The explanation for these phenomena is that a large amount of matter, much of it in the form of gas, is falling into a massive central black hole. Black holes are thought to represent the evolutionary end of some stars. After they start to shed their outer layers, the remaining core collapses, and as it does, the strength of the magnetic field increases to such a degree that it is sufficient to resist the gravitational attraction, they go on expanding beyond the point where the "escape velocity" exceeds that of light.

In the case of quasars and Seyfert galaxies, the energy of the central black hole is thought to be the source of the vast amounts of energy. At the centres of galaxies, stars are far more densely packed than in our own neighbourhood. In the presence of a massive black hole, the stars will be torn apart by the intense tidal forces. The debris will be pulled into the black hole, and the energy released will be enormous.

The theory of Dr Carter and Dr Luminet predicts that the energy of the stars is released in a pancake shape. The energy of the stars is released in a pancake shape by tidal forces and is even more intense than believed hitherto.

Some astronomers believe that the energy of the stars is released in a pancake shape by tidal forces and is even more intense than believed hitherto.

Whether such phenomena can be detected remains to be seen. Only certain types of stars moving in certain orbits will experience such effects.

Nobody knows in detail what stars or other objects do in the vicinity of a black hole. However, ground-based telescopes are approaching the point where the structure of the galaxy nuclei and quasars can be resolved.

Study shows that mugging is extremely rare

By Peter Evans, Home Affairs Correspondent

Though mugging is greatly feared, it is extremely rare and few victims are seriously injured, a report in this week's *New Society* of an official Home Office study says.

The Home Office team looked at areas where mugging was most common in Liverpool, Manchester and Birmingham. Mr Malcolm Ramsey, a Home Office research officer, says that men were more often victims of muggings than women (44 per cent), and young people aged under 30 (45 per cent) more than pensioners (14 per cent).

In Liverpool and Manchester white people were responsible for a greater proportion of the muggings than were blacks. Only in Birmingham was there the greatest proportion of less serious offences, did blacks predominate.

Overall the assaults were black in fewer than half the attacks. But it would be a mistake to see mugging as necessarily being a type of crime committed by blacks, Mr Ramsey says.

"In several of the disadvantaged areas where the attacks took place, blacks came close to representing a majority among the younger people in the local population; and it is younger people who are most prone to commit this type of crime."

The article expressed surprise that only one in ten victims was unsure of the attacker's ethnic identity. In many cases judgments were based on a quick glimpse in the dark.

In the centre of Southampton, a city with a substantial ethnic minority, Home Office research showed that only one of 21 muggings there in 1980 involved a black attacker.

Amnesty's leadership challenged

By Michael Horsnell

The dispute between members of Amnesty International's British section over the appointment of Mr Jeremy Thorpe as director will continue on Saturday, when an emergency resolution of no confidence in the organization's council, which appointed the former leader of the Liberal Party last month, will be proposed.

Sir Michael Williams, the chairman of the February 1982 Action Committee, which was formed to reverse the appointment, is expected to propose the motion at the annual general meeting of the section in Southampton, south-west London.

The motion, which may force the resignation of Mr Thorpe, was passed by a 25-member council, believed to allege that the British section can no longer function effectively under the council's governance.

The council, which replaced the council whose quorum will be established on Saturday by the declaration of results of a limited election held since the appointment of Mr Thorpe, will carry on to the AGM.

Mr Thorpe, a leading supporter of Mr Thorpe, who resigned earlier this month in the face of an overwhelming vote, said yesterday: "It is self-evident that there was considerable feeling about the appointment of Mr Thorpe and that this will carry on to the AGM."

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Water war ahead, says Plaid Cymru

From Tim Jones, Cardiff

Plaid Cymru claimed yesterday that thousands of people throughout Wales were prepared to face court action rather than pay "unjust water charges".

The party launched its campaign against the Welsh Water Authority four weeks ago in spite of warnings that the action could lead to even higher bills for consumers.

Party strategists are determined to intensify the protest, pointing out that the campaign has already attracted more support than the widespread acts of civil disobedience that forced the Government into its first demonstrable U-turn over the Welsh language issue.

The party's campaign is being undertaken because consumers in Wales are charged up to twice as much for their water as people in England who receive their supplies from reservoirs in the principality.

The whole question of Welsh water has been examined by the Parliamentary Committee on Welsh Affairs and its report, to be published next month, is expected to criticize some aspects of the authority's operation.

In its evidence to the committee, Plaid Cymru said that Wales should be paid £40m for water exported to English authorities. That is more than 25 times the amount for the 240 million gallons a day that is "exported".

The document submitted to the committee by the Wales CBT says that the authority's failure to control pumping levels may be attributed to its policy of compulsory redundancies.

Its evidence showed that just five factories in Wales could pay more for water abstraction for industrial use than 20 factories in the rest of the country.

The document submitted to the committee by the Wales CBT says that the authority's failure to control pumping levels may be attributed to its policy of compulsory redundancies.



Church paintings restored

A member of an Anglo-German team of picture restorers at work repairing part of the eighteenth-century wall painting and the ceiling painting, "The Adoration" by Laguerre at St Lawrence Church, Stansted, Middlesex (above). Wall-painting conservation being such a small and highly specialized craft the Council for the Care of Churches asked for help from Herr Wolfgang Gartner, of Tübingen, who leads a team of restorers working in southern Germany.

The church was rebuilt in 1715 by James Bridges, first Duke of Chandos, in the Continental baroque style, and is considered unique among English parish churches for its architecture and interior decoration.

The wood carving was carried out by Grinling Gibbons, the Englishman trained in Rotterdam, and all the artists employed on the decoration, including Laguerre, Mellucci and Francesco Sletter, were brought to Stansted from abroad. George Frederick Handel was for a time the musician at this church.

Stansted 'too far out for passengers'

By Michael Bailey, Transport Correspondent

It would be far more convenient for most passengers if no third London airport was built and Heathrow and Gatwick were expanded to meet the foreseeable demand, the Air Transport Users' Committee says in a submission to the Stansted inquiry.

That does not mean automatic endorsement of the counter-proposal for a fifth terminal at Heathrow, the committee says, though that may be the only practicable course.

The committee is the statutory consumer body for air travellers. Its case is that two airports are better than three, and that passengers would prefer not to travel 30 miles from central London to Stansted when they could go only 13 to Heathrow or 24 to Gatwick.

The committee does not think it far-sighted to scatter airports around London the way the Victorians scattered main-line railway stations.

The committee notes that the British Airports Authority says the Heathrow terminal five scheme would cost £57m more than the Stansted scheme. But that is a difference of only 10 per cent in total costs, and since all figures are approximate it could be several percentage points out.

In any case, the money saved by the CAA in building a new airport 30 miles from London would soon be spent by passengers getting out there.

Although it may take longer to expand Heathrow than to build at Stansted, increases in capacity are unlikely to be as great as was believed a few years ago, it says. Last year air travel to and from London hardly changed.

With a new fourth terminal being built at Heathrow, and a second at Gatwick, by 1989 those airports will be capable of handling 64 million passengers a year, 73 per cent more than last year's level of 37 million.

The document submitted to the committee by the Wales CBT says that the authority's failure to control pumping levels may be attributed to its policy of compulsory redundancies.

Mr William Maikell, who farms near Gatwick, told the inquiry of encounters with trespassers armed with shotguns and pistols, of unorganised motor-cycle scrambles on his fields, and of frequent vandalism and arson.

He regularly suffered from damage to fences, theft of virtually any movable item, and damage to any farm machinery left unattended outside a secure area. Items as large as a subsoiler, some 3ft square and weighing more than a hundredweight, had been stolen.

Stored fertilizer bags had been slashed open and fires started deliberately. Incidents of trespass included not just people walking their dogs, but also football games, motor cycles being raced round fields, picnics and camp fires.

Local residents seemed to regard his land as a recreational area. Particularly worrying were trespassers carrying guns, whom he and his men were naturally reluctant to approach. Horse riders had laid out jumps in his fields, damaging hay and straw.

Despite frequent complaints, the police had only once felt able to bring a prosecution. The offending motor cyclist was given a small fine and made to pay £10 compensation.

Mr Robert Collins, who used to farm near Harlow, Essex, said he had suffered six deliberate fires in five years. At one farm half the buildings were lost in a fire, and in another a Dutch barn with a year's haled hay and straw was destroyed.

His insurance premiums had risen and there was a threat that the company would refuse to renew cover.

Besides theft and damage to property, there was also the uncertainty of not knowing when his land would be required by the authorities for new town expansion. He had no choice but to minimize all capital expenditure on buildings, machinery and on the land itself.

Morale among the farm workers had dropped and the best had sought jobs elsewhere. Finally he, too, had sold up and bought another farm, only to find that it was threatened by the expansion of Stanstead.

Britain 'lagging in biotechnology'

By Pearce Wright, Science Editor

Britain is falling behind in the development of the new biotechnology industries, the Commons Select Committee on Education, Science and the Arts was told yesterday.

The Government's failure to lay the foundation for progress in that field came under severe attack from four fellows of the Royal Society, an organisation that is recognised as a hallmark of moderate opinion.

Their catalogue of complaints clearly impressed the parliamentarians.

The shortcomings they listed can be divided into four categories: The failure of the Government to act on recommendations made two years ago by the Cabinet's advisory board on research; The undermining of basic research programmes in universities on which the future of biotechnology is based; The discouragement of university and industry collaboration in a technology that is advancing very rapidly in the United States, Japan and some EEC countries; and finally the loss of first class scientists to the United States and the Continent.

Sir Arnold Burgen, Professor Patricia Clarke, Professor Brian Hartley and Professor M. D. Lilly, the four fellows, suggested that perhaps a lack of appreciation by ministers of the complicated and uniquely British way of organizing research and teaching might explain in part the havoc being caused.

Nevertheless, their various arguments pointed unequivocally to the conclusion that the United Kingdom was slipping behind in a new technology almost before it had begun, and the discovery of which has been made would be lost in much the

same way as the country lost its position among leaders in microelectronics.

But the starting point for all their criticisms is the report by the late Dr Alfred Spinks, former director of research to ICI, to the Cabinet, recommending the creation of 20 new academic posts to strengthen the university groups collaborating on biotechnology.

Professor Hartley, director of the Centre for Biotechnology at Imperial College, London, said there had been no creative response from the Government to that study.

Professor Clarke explained the unusual character of biotechnology. It is not a university discipline in its own right, but an amalgam of the expertise of microbiologists, geneticists, biochemists, plant scientists and chemical engineers. In fact it is a classic example of a rather misunderstood term, an interdisciplinary subject, she said.

The 20 academic posts proposed by Dr Spinks were a mixture of those disciplines. Professor Lilly said the purpose was to introduce them into the biotechnology groups being created in universities to fill the gaps in various teams.

The difficulty is that the posts would have to be paid through the University Grants Committee, but the money that body has been cut by the Department of Education and Science.

Professor Clarke said that the adoption of the Spinks report would mean that some of the best scientists would be enticed back to Britain. While Britain had wasted two years the French were pressing ahead with schemes that were based on university and industrial collaboration.

Government funds plea by nuclear protesters

By Our Science Editor

The Government is being asked to provide a public fund to enable objectors at the forthcoming inquiry into the introduction of British of the American type of pressurized water reactor (PWR) to put their case properly.

The request, on behalf of a number of environmental groups, is being made to Mr Nigel Lawson, Secretary of State for Energy, by the Friends of the Earth.

A letter to the minister from Mr Steven Billcliffe, the Friends' director, says the response to suggestions for public funding has been that objectors have yet to make out a case for support.

He says it is difficult to assess the scope and cost of the hearing, planned in proposals to build a PWR at Sizewell, Suffolk. It depends on the final terms of the inquiry, the nature of the documentation on the Sizewell PWR design that the Central Electricity Generating Board and the Nuclear Installations Inspectorate intend to publish, and the unpredictable length of the inquiry.

The Friends believe the cost of presenting a case against the Sizewell B reactor on safety grounds could be £250,000. They argue that public confidence in the examination of the issue will depend on the fairness with which the case for and against is presented.

One of the safety issues is

Man who killed sex shops in Atlanta

By David Nicholson-Lord

Once upon a time there were 44 dirty bookshops in the United States city of Atlanta, Georgia. Now there is none. Yesterday Mr. Hinson McAuliffe explained why.

It was purely, Mr. McAuliffe said, a question of good law, good law enforcement officers, good prosecutors and good judges. The British, he clearly implied, though a fine and good people, were deficient in certain of those respects. But he was far too polite to say so.

Mr. McAuliffe, aged 60, is a Baptist, a family man and a former US Army corporal stationed in Britain during the war. He looks not unlike President Eisenhower. More important, he is the man who eradicated sex shops from the face of central Atlanta.

He was invited to Britain and introduced to the press yesterday by Mrs Mary Whitehouse, honorary president of the National Viewers' and Listeners' Association, which he will address on Saturday. Today he will speak to MPs and peers in advance of the second reading of the Pornography Bill in the Lords.

The invitation to Mr. McAuliffe, who is Solicitor General and thus chief prosecutor in Fulton County, covering Atlanta, was designed to emphasize to Britain its "disastrous" lack of control over pornography. Mrs. Whitehouse said she knew from "absolutely impeccable" sources that Mafia money was behind much of the British pornography industry.

According to Mr. McAuliffe, the launching point for his drive against the sex shops was Georgia state law in 1975 incorporating a revised ruling from the US Supreme Court. That changed the obscenity test for material from "utterly without redeeming social value" to "lacks serious literary, artistic, political or scientific value".

Armed with the new law, unprompted by any religious lobby and in the face of some harsh press treatment, Mr. McAuliffe sent out his undercover investigators to do battle.

The first stage was straightforward obscenity prosecutions. Fines were raised from \$300 to \$5,000. Next came prosecutions for nuisance, assaults and immoral acts committed in shops. Trade fell off when deep-shed doors were dismantled by order.

Finally Mr. McAuliffe had his men bring involuntary bankruptcy petitions against pornographers, forcing them to disclose their assets. That broke the back of resistance, he said. The 20 remaining sex shops closed down.

Mr. McAuliffe sought that most of the two million people in Atlanta were happier as a result.

Misconceptions were rife about the deep South's so-called bible belt, Mr. McAuliffe added. There are so many people in a position to do what I did here who feel they don't have the backing of the public.

Mr. McAuliffe said that the adoption of the Spinks report would mean that some of the best scientists would be enticed back to Britain. While Britain had wasted two years the French were pressing ahead with schemes that were based on university and industrial collaboration.

NEWS IN SUMMARY

Judge bans council newspaper

A local government newspaper with a front page article aimed to promote the election of a Labour candidate was banned by a judge yesterday.

Lord Koss in the Court of Session in Edinburgh granted an order banning the *Lothian Courier*, the newspaper of Lothian regional council, from being distributed to 300,000 households for a period up to and including the local government elections on May 6.

The interim interdict was sought by three Conservative councillors, who said the article was in breach of the Representation of the People Act, 1949. Under the Act no expenses could be incurred with a view to promoting the election of any candidate by anyone except the candidate or his agent.

Men praised for rail rescue

Mr Frank Wilby and Mr Joseph Jagdeo, who work for British Rail, were praised by the police yesterday for rescuing a woman "from certain death" when a man tried to push her in front of a train at Clapham Junction, south London.

The Central Criminal Court was told that Donald Duffon, aged 50, the attacker of Campbell Road, Croydon, was said by psychiatrists to have an obsessive urge to kill someone on a station. He was sent to Broadmoor indefinitely when he admitted attempting to murder the woman.

Falling horse killed jockey

Mr John Thorne, a top jockey, died after his horse, Bend A Knee, somersaulted and fell on him, an inquest in Oxford heard yesterday. Mr Thorne, aged 55, of Leamington Spa, Warwickshire, was in a point-to-point meeting near Banbury, Oxfordshire, he died in hospital.

Soccer fan fined

A Brighton football supporter aged 16 who threw a fishing weight during a first division match at Michael Robinson, the Brighton and Irish Republic player, scoring his face, was ordered to pay £200 and £50 compensation by a juvenile court at Hove, East Sussex, yesterday.

Police chief charged

Sri Lanka's deputy chief of police was charged with an unlawful bail at Marlborough Street Court, London, yesterday accused of shoplifting from Selfridges in Oxford Street. Mr Tyrrell Gunatillake, aged 55, who is in London for open heart surgery, is to appear at Wells Street court on Tuesday.

Alliance Building Society

announces that the following rates of interest will apply to Share and Deposit Accounts from 1st April, 1982:-

Net per annum	Gross equivalent at 30% income tax rate
8.75%	12.50%
10.00%	14.29%
10.25%	14.64%
10.75%	15.36%
11.75%	16.79%

Interest on other Share and Deposit Accounts, including previous issues of Term Shares and Extra Interest Shares, will be reduced by 100% net p.a. and - in new issues - by 10% net p.a. from 1st April 1982. Share and Deposit Accounts remain unchanged.

Head Office: Alliance House, Hove Park, Hove, East Sussex BN3 7AZ

CORRECTION

The complaint against Mr. G. J. Jones, who was charged with the murder of a woman, was dropped by the Crown Prosecution Service. The woman was Mrs. J. Jones.

Pornography is leading youngsters into crime

LAW AND ORDER

Lord Lane, the Lord Chief Justice, in his maiden speech in the House of Lords, said it would be a dereliction of duty if the courts started treating recidivist young burglars with kid gloves. Speaking in the debate on law and order, he defended judges against what he called recent heavy and hysterical criticism on sentences they had passed. He said it was impossible for the judges to be right and there was a limit to what judges could do. He called for action against the huge increase in the sale of pornography traceable to glossy imports, large quantities of which came into the country disguised as Danish bacon or Dutch tomatoes. It found its way into the hands of young people and the inevitable results were increasing every day.

Lord Renton (C) in opening the debate, said that there was growing public anxiety about the crime wave, more especially because of the great increase in burglaries from homes and of street muggings. Anxiety was further increased because only 38 per cent of the offences in England and Wales brought to the notice of the police had been cleared up in 1981, compared with 40 per cent or more in other recent years. However, more than a million cases had been cleared up in England and Wales, compared with fewer than 900,000 in 1980.

Crime had increased remorselessly over the years in spite of efforts to defeat it by having more and better equipped police. It was especially distressing that 50 per cent of the offences were under 21. Findings for them would not help.

Unemployment is not an excuse, he said, and it was whether it is ever a major cause. Expenditure on police forces was going up from £1,150m in 1979-80 to £2,314m in 1982-83, slightly more than double any more than taking account of inflation.

His achievements and policies were a great credit to Mr William Whitelaw, the Home Secretary. He had not been responsible for last year's increase in crime. But for the measures he has taken (he said) it would have been even worse. He has gained the confidence of the police and their morale is high.

The police deserved and needed the full support of Parliament and people all the time. There were no extremists left who wanted to destroy society, and one of the principal methods was by breaking the morale of the police. As Mr Pat Wall had said plainly and publicly, they would like to get rid of all judges and police. But that would not put the country right.

Everyone should have a strong interest in encouraging the police. Their establishments should be reviewed, as a high priority. That had been done some years ago.

All local police committees should support their forces without interfering with their operational methods. The police were professionals and experienced and it was not for amateurs, even democratically elected ones, to attempt to dictate to them.

There were people who felt like forming vigilantes but they should be discouraged. However, under common law, everyone had a duty to help the police when asked. If people wanted to give active help, they should apply to become special constables.

The great alien majority could help by bringing up their children decently with love and firmness which were interdependent. They could not have one without the other. Parents should set an example of sober good behaviour.

Teachers also had a part to play. They could encourage the police to give talks in schools and that might lead to better

understanding and cooperation from the children.

We have a Home Secretary (he said) who is doing what he can and are the police. Now it is up to the rest of us. Lord Elystan Morgan (Lab), for the Opposition, said that the police had a wide-ranging duty, to enable society to indulge in its normal peaceful occupations. Suppression and control of crime was an important part, but only one part of that comprehensive duty.

It was fallacious to suggest that there was a racialist basis for crime, but that was the impression given and, it seemed, carefully fostered by the publication by the Metropolitan Police a week or so ago of the analysis of figures for robbery and other violent crime broken down on a racial basis.

As an analysis it was wholly misleading. Whether or not it was based on racialist theories, it ran a high danger of doing so.

To be accountable to the public, the police must be answerable to elected people who were themselves in turn responsible to public feeling. Against this principle, the occupation of the police should be abolished and replaced by people appointed bureaucratically, should be looked at with great trepidation.

All the statistics were against the argument that the reintroduction of capital punishment would save human life to any degree.

He was shocked by the statement made by Mrs Thatcher, the Prime Minister, last week that the Government was not between a high level of crime and the highest level of unemployment.

Did she expect that millions of homes could be visited by the plight of actual or threatened unemployment with all the frustration and desperation that this entailed without spawning the conditions for added crime?

Government, often to the right, were often tempted to lash the public into frothy fury over fears for law and order. Such a policy could be powerful deterrent from future crime in economic and social policies.

Lord Wigoder (L) said there were far too many people in public life who openly said that the law was there to be defied if it pleased them to do so. He was deeply perturbed at that development in recent times and the way in which those people were being sheltered inside the rules of the Labour Party instead of being driven out into the wilderness where they belonged.

To be strengthened, the police had to be integrated into the community. It was necessary to cease to treat them as a separate part of society and to try to get them appreciated by everyone as friends, as people upon whom it was possible to rely and with whom it was possible to be in touch.

Steps must be taken to encourage the ethnic minorities to have their representatives in the police force.

Clearly the police must be accountable to someone. It was an interesting argument as to whether the Metropolitan Police should be responsible directly to the Home Secretary or not, but he hoped the House would agree, whoever they were to be responsible to, perhaps Mr Livingstone would not be an ideal choice.

He did not believe that the severity of punishment in itself, let alone the brutality of punishment in itself, was a deterrent in more than a minute number of cases. He knew of few people who had come out of prison any better than they went into it. The value of a prison sentence, said that was a somewhat long as a person was in prison he

was not going to commit further offences.

Lord Belstead, Under Secretary of State, Home Office said the number of robberies recorded in 1981 rose disturbingly, by about one third in comparison with the previous year. In view of the public concern about robbery and theft it was better, in the Government's view, for problems to be discussed in terms of the same thing. They needed to know as much as possible about crime. People of all races in the community needed to be informed about crime.

The Government had done so in the recent study on racial attacks. It was not going to turn round and criticize the Metropolitan Police for doing very much the same thing. They needed to know as much as possible about crime. People of all races in the community needed to be informed about crime.

Home Office officials were engaged in a series of visits to selected police force areas outside London to see how police and community liaison could operate inside and outside London in future. The Government was considering following the riots of last summer, the need for public order legislation, and were consulting on this.

One would only have to sit a short time in a police car to see the effect of the huge increase in the sale of pornography. Because of the racialist and racist implications of the sexual behaviour which was almost inevitable.

Not least among those who deserved support was the Home Secretary himself. Mr Whitelaw had been under intense pressure to change course and he should be praised for his courage and his pursuit of policies that he had been following hitherto. To the extent that he had the total support of the Social Democratic bench.

Lord Boyd-Carpenter (C) said he disagreed with Lord Elystan Morgan's criticism of the state of the police. The number of ethnic minorities who had committed certain offences, if the Metropolitan Police were in possession of facts that might be relevant to the debate in the House, they would be at fault if they suppressed them.

As for capital punishment, it remained his judgment that on balance it was better that the guilty rather than the innocent should suffer.

Terrorists were never greatly impressed by long prison sentences. They were always looking for a way out. If the penalty, on the other hand, was a speedy death this would be a considerable deterrent.

This was almost the ideal subject for a referendum but it could not be binding either on people or on the House. It was entirely free to vote for their conscience, but they would know what the public wanted.

Lord Gardiner, the former Lord Chancellor, said that he had recommended to Scotland Yard the use of a computer, but if he had known the use that would be made of it, he would never have made that recommendation.

People were not to be misled by the Home Office's confidential, personal information to several other departments.

The recent action of the police on capital punishment had been inadvisable. He doubted whether the police really were wise to spend a lot of money hoping that half-page advertisements would change public opinion on a point of law. He doubted whether the police really were wise to spend a lot of money hoping that half-page advertisements would change public opinion on a point of law.

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Government seeking agreement on change

LORD'S REFORM

Every peer would view it as appalling if the House of Lords was to be abolished, and this view was shared by many people outside Parliament. Lord Young of Lancaster, said to cheers when answering questions about House of Lords reform, said at present there was no sign of this agreement.

Lord Shovel (Lab) who had asked what further consideration the Government had given to the subject, said that was a somewhat unsatisfactory answer. Did the Government not realize that the absence of some indication or suggestion of reform of the House of Lords, only served to strengthen the attitude of those who sought to abolish this House?

If, at the next election, events take a certain direction (he said), there might be an immediate demand for the abolition of this House. Is there any reason why both Houses of Parliament should not begin to discuss, even in a temporary and perhaps potential fashion, what kind of reform is required for the House of Lords?

Lord Young: Reform to the House of Lords is a subject where there is a measure of agreement and what that reform might be. At the moment there is no indication that is such agreement.

Lord Avebury (L): Whilst there may be general approval of the motion the House of Lords should continue to be, neither the Labour nor the Conservative parties wish to touch it to the defence of it because it would be a nuisance if proper resources were to be made available to backbenchers in this House as they are in the House of

would only result in a third of the time being spent in prison. He was not to have been given the opportunity of not applying the new type of sentence.

It was necessary to give judges an opportunity of non-applying the automatic reduction of a sentence.

By the time the criminal falls into the hands of the police, and particularly by the time he reaches court (he said), it is too late. The damage has been done. The remedy, if it is to be found, must be sought a great deal earlier.

All the old sanctions had gone: the parental, the religious, the social, the financial, and the employment sanction. It was now bad psychology for anyone to have a bad conscience or a guilty conscience, but nothing had been found to replace it.

Apart from those disincentives which had gone, there were incentives to commit crime in the shape of violence depicted on screens of all sizes.

Acquisitiveness and greed were depicted and religious fervour was depicted by the young people who formed such a large part of the statistics.

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Japan pressed to lift trade barriers

EUROPE

Mr Humphrey Atkins, Lord Privy Seal, reporting on the meeting of foreign ministers of the European Community held in Brussels on Monday and Tuesday, said that they endorsed the view that relations with Japan remained a serious concern. They agreed, he said, a comprehensive approach to the problems. This included efforts to persuade Japan to modify its trade and economic policies, a renewed call for tangible assurances of effective moderation of Japanese exports in sensitive sectors, and an agreement that the Community should initiate discussions with Japan about her low level of imports.

The whole of Tuesday was taken up with discussion of the May 30 mandate and in particular the problem of Britain's budget contribution.

The Presidents of the Commission and the Council (the went on) put forward on a personal basis some new ideas on a method of dealing with the budget problems. These were greeted with real interest by ministers of the member states who agreed not to discuss them further at a special meeting of foreign ministers to be held on Saturday, April 3.

Mr Eric Heffer, chief Opposition spokesman on European and Community affairs (Liverpool, Walton, Lab) said it would be useful if the Lord Privy Seal could read into the record what was on the front page of the Times which seems to be better informed than MPs on these matters.

It is time (he added) that we had some idea what is precisely being proposed on the budget. The danger is that we are going to have a situation where we could end up with a shoddy deal which would involve another retreat and possibly a self-out on the Community.

We have read in some newspapers that the Irish Foreign Minister has said that Lord Carrington, the Secretary of State for Foreign and Commonwealth Affairs, accepted that there would be no linkage between farm prices and the budget. We have also heard that the Secretary of State did not accept this. I would like to know the answer.

It would be wrong if we had a situation where there was an agreement on the budget—possibly a shoddy deal—and at the same time an increase in prices of the farm gate which would put up prices of food for the British people in a big way.

Mr Atkins: Mr Heffer has quoted a number of newspaper headlines. He knows by now not to believe everything he reads in the newspapers. If he does not, he should.

The discussions going on about agricultural policy and the budget reform are going forward together and will go forward in parallel as everyone has agreed. They are linked in that way.

Sir Peter Emery (Hounslow, C): For many years now the foreign ministers have been expressing at their Brussels meetings concern about trade and expansion of Japan and about the restrictions on imports into Japan. Do we not get to a stage that if we cannot get agreement to take positive action as a Community, Britain ought to take unilateral action? Mr Atkins: The Community as a body is more powerful than this country alone. I believe that is the correct attitude to take under Article 23 of the General Agreement of Tariffs and Trade to persuade the Japanese to liberalize their trade policy and economic policy.

Dr David Owen (Plymouth, Devonport, SDP): On Japan, the issue has come to a head. These discussions have gone on for many years. The import restrictions are very damaging to trade. The export penetration in certain key industries is extremely damaging for many European countries. We fully support the Government's determination to get a fair deal for Britain on the budget and its determination to link the budget contribution to the reform of the CAP.

Mr Atkins: On Japan, I believe the move the Community is now taking is the most useful course we can adopt. There is no set timetable for this procedure. We intend to proceed with it as quickly as we can.

Mr Kenneth Lewis (Stamford and Rutland, C): Every time we have a statement of this kind there is something in about discussions with Japan. We seem to make no progress. How many more businesses are going to go in this country and Europe because of penetration from Japan? Will the Japanese will not allow things into this country? When is this country or Europe going to take some action?

Mr Atkins: It is. That is why I am glad to be able to tell the House that we are taking the action I have described because it is necessary we should exert the maximum pressure on Japan to liberalize its trading policies, which is what we all want.

Mr Douglas Jay (Wandsworth, Battersea North, Lab): What will be the United Kingdom's net contribution to the Community budget in 1982-83?

Mr Atkins: As yet, this is not determined. Our contribution for last year was £56m.

A new dimension to the word complexity

LEGAL

The Civil Jurisdiction and Judgments Bill, which regulates the international aspects of the jurisdiction of the courts, how their judgments might be enforced, had a simple objective but it had been described as giving a new dimension to the word complexity. Sir Ian Fergusson, Solicitor General, said in moving the second reading of the Bill.

The Bill, which has been through the House of Lords, gives effect in the United Kingdom to the 1968 Convention on jurisdiction and the enforcement of judgments in civil and commercial matters, establishing uniform rules of civil jurisdiction for courts in member states of the EEC.

In the event of the United Kingdom withdrawing from the EEC, the Bill would require revision because of references made to contracting states and the 1968 Convention among other things. But there was no reason why the UK should not be able to enter into the same agreements with those countries which were not members of the Community or not.

Mr Alexander Pollock (Moray and Nairn, C) said in the past there had been many cases where foreign judgments had been enforced in Scotland. He said that such cases had increased significantly in recent years not least because of the increase in the popularity of package holidays to the Continent.

Many Scottish families had found their daughters being captured by red-blooded foreign males. Unfortunately, when they returned to Scotland with their husbands, they found the place too cold for their liking. They then left their husbands with inadequate financial resources.

It would appear owing to the provisions in this Bill it would be much easier for such distressed wives to get back to their proper maintenance.

Mr Peter Fraser, Solicitor General for Scotland, said although this involved a complicated set of measures to get how jurisdiction was to be established in the Scottish courts, it was simpler than it appeared from a reading of the schedules and parts of the convention included in the Bill. In principle, the new rules would apply to all civil proceedings before the Scottish courts.

The Bill was read a second time.

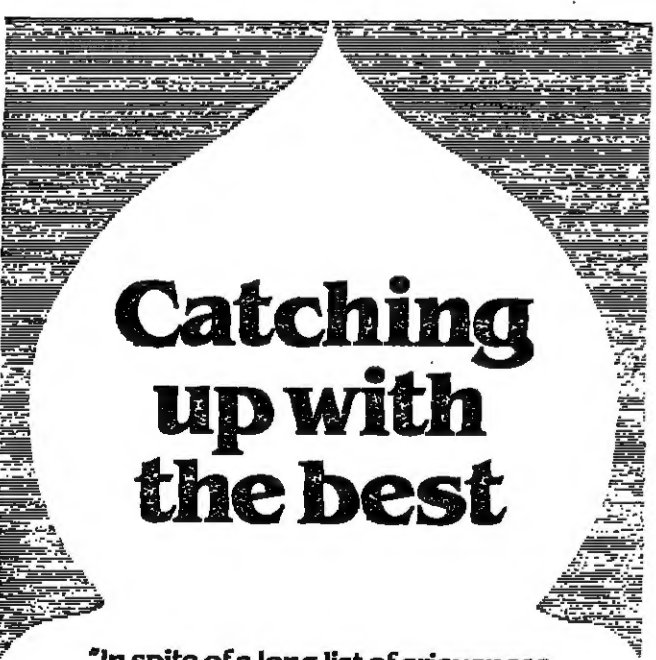
contract has been turned down by the Government. Will he repeat the statement he made last week at Hillhead that he was confident that the smaller will reopen? If he will not, that statement will have been made on the electors of Hillhead.

Mr Younger: I am glad to repeat what I said last week in Hillhead. There are reports in some papers purporting to be an account of discussions. I can only say that they are wholly inaccurate.

Mr Millan: When are we going to get an announcement about the reopening of Invergordon?

Mr Younger: That is another question. (Labour protests) I do not have an immediate date in mind for that, but we are making progress towards the first step, which is to establish the basis for a new power contract.

It will then be necessary to enter into negotiations with the various parties that have expressed interest to see if they are prepared to operate it.



Catching up with the best

"In spite of a long list of grievances and restrictions Soviet science can no longer be ignored as weak and insignificant." This week in The Times Higher Education Supplement Zhores Medvedev argues that Soviet science in quality and productivity but the gap is diminishing.

Also this week:

- *Tessa Blackstone on the politics of poverty.
- *The Social Science Research Council's record re-examined.
- *The future of university museums.

The Times Higher Education Supplement

On sale at newsagents every week, 45p.



Lane: Impossible to be right.

Scarmann: Report was right.

So long as western society was prepared to tolerate economic and social disadvantage and failed to win the respect of the young generation to the extent that it must be prepared to expect quite a high percentage of crime.

Cowardly attacks must attract severe penalties but even if crimes such as this, there should be a constructive element. There should be an experiment in fact the assailant up to him in victim with a view to his feeling some shame, making an apology or making some reparation.

Not least among those who deserved support was the Home Secretary himself. Mr Whitelaw had been under intense pressure to change course and he should be praised for his courage and his pursuit of policies that he had been following hitherto. To the extent that he had the total support of the Social Democratic bench.

Lord Boyd-Carpenter (C) said he disagreed with Lord Elystan Morgan's criticism of the state of the police. The number of ethnic minorities who had committed certain offences, if the Metropolitan Police were in possession of facts that might be relevant to the debate in the House, they would be at fault if they suppressed them.

As for capital punishment, it remained his judgment that on balance it was better that the guilty rather than the innocent should suffer.

Terrorists were never greatly impressed by long prison sentences. They were always looking for a way out. If the penalty, on the other hand, was a speedy death this would be a considerable deterrent.

This was almost the ideal subject for a referendum but it could not be binding either on people or on the House. It was entirely free to vote for their conscience, but they would know what the public wanted.

Lord Gardiner, the former Lord Chancellor, said that he had recommended to Scotland Yard the use of a computer, but if he had known the use that would be made of it, he would never have made that recommendation.

People were not to be misled by the Home Office's confidential, personal information to several other departments.

The recent action of the police on capital punishment had been inadvisable. He doubted whether the police really were wise to spend a lot of money hoping that half-page advertisements would change public opinion on a point of law. He doubted whether the police really were wise to spend a lot of money hoping that half-page advertisements would change public opinion on a point of law.

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Britain and elsewhere, was accepted in the debate by the minister and others and that there was a broad intention to implement the recommendations. He stood by his report. He had not yet learnt

Hume attempts to calm fears over Pope's visit

By Nicholas Timmins

The Pope's visit to Britain in May poses no threat to national or religious independence, Cardinal Basil Hume, the Archbishop of Westminster, said yesterday.

In an attempt to calm some of the more extreme anxieties about the Pope's visit, he told the Free Church Federal Council at its congress in Newcastle upon Tyne that he wanted to "allay some of the exaggerated fears and expectations which seem to be developing around this papal visit."

The Pope's visit to Canterbury would provide a new impetus to the ecumenical movement, he said, but it would be "wildly unrealistic" to expect the presence of the Pope himself to be the occasion for solving our ecumenical problems. His coming is only part of a process, a long, patient growing together, which does not admit of instant solutions.

Given with the publication next week of the Anglican/Roman Catholic International Commission's report on future relations between the churches, debate about its conclusions is likely to occupy the rest of the decade.

"Only in 1988 can the next Lambeth Conference give it due consideration. The Roman Catholic Church will

need comparable time for reflection. There should be no fears that secret deals have been struck."

The Pope was coming as "pastor and bishop and as a pilgrim for Christian unity," he poses no threat to national or religious independence.

The meeting at Canterbury would be richly significant and his presence there was itself an important step towards closer unity. But "it is unrealistic to expect that at Canterbury the Pope will resolve all the difficulties that stand in the way of a visible organic communion between ourselves and the Anglican communion."

It would, however, provide new impetus. The Pope is also to meet certain leaders of the churches from the British Council of Churches that day, Cardinal Hume said.

Delegates to the federal council declared their opposition to the removal of capital punishment and urged action to reduce overcrowding in Britain's prisons (Our Newcastle Correspondent writes).

They were told by the Rev Peter Timms, a former prison governor, that the society was developing a "punitive obsession." Mr Timms, a Methodist minister from London, said: "This is not the time for hysterical argument but for a carefully thought-out response."



One of 36 trees being prepared for removal yesterday from Bellahouston Park, Glasgow, to facilitate better viewing for the Pope's visit in June. It is hoped that the trees will be replanted in the autumn.

First 'off the peg' hospital sets the trend

By Annabel Ferriman, Health Services Correspondent

A new concept in hospital design was unveiled yesterday when London's first "off-the-peg" hospital was shown to the press.

The hospital, at Newham, east London, is based on the standard design from the Department of Health and Social Security, called the nucleus design, which is geared to cheap building costs, low running expenses

and flexibility. The basic design is provided by the department for use by health authorities around the country.

It is estimated to cost a third less a sq ft to build than the highly expensive developments of the late 1960s and 1970s, such as the Royal Free Hospital and St Thomas's Hospital, London.

The basis of the design is a

long, central corridor, with a series of cruciforms extending from either side, which can be built on to at a later date; hence its name, nucleus.

The basic "nucleus" is for 300 beds, getting away from the monolithic 800 to 1,000-bed hospitals, which sometimes took 15 years to build.

Newham Hospital, which cost £6m at 1975 prices, or

about £20m today, is part of the North East Thames Regional Health Authority's attempt to replace the crumbling fabric of London's East End hospitals. Seventy per cent of those were built before 1920.

The Queen yesterday opened the Alexandra wing of the London Hospital, Whitechapel, east London, which cost £9m to build

High fares worry most travellers

By Michael Bailey, Transport Correspondent

More people are dissatisfied with fares than with any other aspect of public transport, according to a survey by the National Consumer Council (NCC) published today. Of 2,000 who thought fares unreasonable, 51 per cent were bus users, 50 per cent train, 45 per cent underground, 30 per cent taxi and 20 per cent air. But only 12 per cent were coach users.

of paper are lying all over the place."

"The trains are appallingly filthy. The last time my husband went on a train he got some brown, gluey stuff on his suit and had to come home."

"Young hooligans spray stuff on seats and write with lipstick."

Hardly anyone complained, because they thought it a waste of time. Either there was no one to complain to, or the complaint would be ignored, they thought.

"If it wasn't more pleasant I wouldn't bother going by car. But they're so dirty."

"The other week I was in the station and it was extremely crowded. It frightened me, because a man ran down the stairs and pushed me into the wall." "It's not acceptable, with all the visitors to London. In the evening, if I'm in a hurry, it's very, very jammed. You just have to put up with it."

After fares, complaints diverged sharply. Bus users were concerned most about lack of frequency, train users by dirt and discomfort, air travellers by delays and cancellations, underground by overcrowding. Here is a sample of users' comments:

"To many people couldn't get in or out when it came to my station and had to stay on and return the other way."

Train users also complained about dirty, bleak stations, poor lavatories queues and inadequate car parking.

Buses: "There aren't enough buses or staff. It causes chaos and starts arguments and fighting at the bus stops."

"You get people queueing for ages. It's usually at least 25 minutes. I wait and feel glad I don't use a bus every day."

"We complained and the buses improved for a while, then got back to not turning up again. They're just not interested."

Trains: "The trains are not cleaned and cups and pieces

The report is to be considered at this year's Consumer Congress opening at a Surrey University tomorrow and will set the scene for an effort by the NCC to develop a "coherent, practical transport policy for consumers" in the coming year.

Public Transport (National Consumer Council, 18 Queen Anne's Gate, London, SW1H 9AA, £11).

Change urged in right to divorce payment

By Frances Gibb

The abolition of a former wife's permanent right to receive maintenance payments from her divorced husband, called for in a paper published by the Bow Group yesterday.

The paper, a survey of divorce law since the Matrimonial Causes Act, 1973, says there will need to be exceptions to the rule, but "in the overwhelming number of cases the time has now come to exclude an ex-wife's permanent right to maintenance."

on the preoccupied and financially vulnerable mother."

The paper, written by Mr Paul Rippon, a solicitor specializing in family law, and representing his personal views, also argues or several other changes to present divorce law.

They include removing considerations of marital misconduct from the determination of financial settlements. The cause of a broken marriage lies deep in the personalities of the parties, he says, and it is difficult to determine where responsibility lies.

On the grounds for divorce, Mr Rippon recommends that the law be amended so that the court should hold the marriage to have broken down irretrievably if the petitioner satisfies the court that after the marriage breakdown the parties have lived apart for a continuous period of a year.

There should be an end to the "matrimonial offence" requirement, under which a court must be satisfied as to one of five circumstances: adultery; unreasonable behaviour; desertion; living apart for two years with consent to a divorce; or living apart for five years.

Picking up the Pieces (Bow Group, 240 High Holborn, London, WC1V 7DT, £2.00).

A woman's right to claim maintenance while her former husband lives, often for many years, must conflict with the concept of the equality of the sexes, the paper says.

"In any case it should be remembered that the average time for remarriage of both spouses after divorce is only in the region of four and a half years. The right to maintenance ceases on remarriage."

With the wife's right to maintenance excluded, the paper says the courts should be more ready to divide the family assets between the spouses, and certainly once any children are grown up. At present the difficulty of recovering orders for maintenance is often immense.

"The places unfair burdens

CHURCHES' PLEA FOR HOMELESS

By Pat Healy, Social Services Correspondent

Four of Britain's main churches join today in demanding urgent government action to help single homeless people. They say rising unemployment and severe cuts in housing investment have produced a "genuine crisis" for thousands of citizens who are both single and homeless.

The churches, in a statement responding to the Government's recent report, Single and Homeless, are calling for extension of the right to secure accommodation in the Housing (Homeless Persons) Act to the single homeless, and for more investment in council housing programmes.

"We would remind the Secretary of State for the Environment that any Government that cuts housing investment deeply will impoverish many of its citizens, whatever else it may achieve," the statement says.

"The Government must increase resources to local authorities, particularly those in inner city areas."

The four churches, the Church of England Board for Social Responsibility, the Methodist Church Division of Social Responsibility, the Church and Society Department of the United Reformed Church and the Catholic Housing Aid Society also want the repeal of the "intentionally homeless" provisions of the Act.

SITE PLANS INQUIRY DUE TO END

By John Young

The public inquiry into two rival schemes for the redevelopment of the so-called Coin Street site, on London's South Bank, is expected to end today.

The two schemes were submitted by Greycoat Commercial Estates and by the Association of Waterloo Residents' Associations, who contended that the Greycoat project was too large and ignored local needs.

The site, which stretches eastward from the National Theatre towards Blackfriars Bridge, is regarded as one of the most important in London.

It was the subject of an earlier inquiry in 1979. The protagonists then were two residents' groups, the Heron Corporation and Commercial Properties Ltd. After Heron withdrew, Greycoat intervened, but in July, 1980, Mr Michael Heseltine, Secretary of State for the Environment, rejected all the plans.

The new inquiry officially opened on April 7 last but was adjourned after demonstrators, incensed by the decision of the Conservative-controlled Greater London Council at the time to sell its holdings on the site to Greycoat, shouted down the inspector, Mr Victor Radmore, who postponed the inquiry until after the GLC elections.

The inquiry finally reopened on September 8.

Rape questions 'justified'

From Our Correspondent, Norwich

Norfolk police officers accused of questioning a rape victim "like a common criminal" did their job correctly, the Police Complaints Board has decided.

That was revealed yesterday after the father of a 16-year-old girl, whose case attracted nationwide publicity when the man convicted of raping her was fined £2,000 at Ipswich Crown Court and not sent to prison, made the allegation.

He made it shortly after watching a television documentary on Thames Valley Police's handling of a rape complaint, which also attracted widespread criticism.

At the time the girl's father alleged that "police men are trained to pick and harass to establish the truth."

Mr George Charlton, Chief Constable of Norfolk, immediately ordered an internal investigation and referred the complaint to the Police Complaints Board in London.

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New Bangladesh leader helped Sattar to power

By Leslie Plummer

Bangladesh has been waiting week by week for a military coup, and yesterday it came. Paradoxically, Lieutenant-General Mohammad Hossain Ershad, the golfing Army chief who has declared himself martial law leader, acclaim as a military democrat only last May when he swore allegiance to the constitution after President Zia ur-Rahman was assassinated by Army elements.

It was General Ershad who helped Mr Abdus Sattar, the Vice-President at the time, out of his hospital bed, into his trousers and over to the President's office to take over the Administration.

A former Lieutenant-Colonel in the Pakistan Army, General Ershad rose steadily through the officer corps in independent Bangladesh and despite his high reputation among many countrymen, who looked to him as a prospective leader, often declared: "I am a soldier, not a politician".

Mr Sattar and his Bangladesh National Party went on to win power in elections barely four months ago on the shoulders of the murdered Zia who founded the party and achieved the status of a near saint in his country.

They fell from power because they failed to live up to the dead man's reputation



General Ershad: Soldier not politician

and ideals, thus providing the Army with its opening. As President, the sickly and uninspiring Mr Sattar proved unable to unify the country or the many interest groups which Zia welded into a party and kept in check. The party slipped increasingly into the corruption which had begun to mar its last phase even under Zia, and which at last reached right into the Cabinet.

Scarcely had last November's election rhetoric died away than the cracks between President Sattar and the military began to open wide. General Ershad stepped up demands for power sharing by the military, and was rebuffed by President Sattar who said the military's job was only to defend the national sovereignty. Any other role for them was inconceivable.

General Ershad evidently had other ideas. While denying that his ambition was to become President ("Could I not have walked into the office of the President the day General Zia was killed?"), he argued that military assassinations and coup attempts would continue if the Army was pitched as a "distant bystander responsible only for defending the borders".

But in recent weeks events began to move more quickly as the Army stepped de facto into the political arena. To the horror of many politicians, President Sattar reluctantly agreed in January to set up a National Security Council including service chiefs.

In February, under military pressure, he dismissed the entire Cabinet, citing "negligence, corruption, irresponsibility and self-interest" among leading figures. Corruption inquiries were ordered and a reduced Cabinet quickly formed, but Army dissatisfaction persisted.

At the same time the economy continued to found-

der, with international funds drying up partly because of perceived maladministration by Dacca.

In recent days rumours of at best, another government reshuffle and, at worst, a coup had become rife in Dacca.

Indeed, the wonder of many observers is that it took General Ershad so long to make his move. If he hesitated, one reason may be that Bangladesh's problems seem so intractable that they may defeat even the army, which would then find itself in as much public disgrace as the politicians.

Washington: The United States Government today urged Bangladesh to return to constitutional government at the earliest opportunity. (Nicholas Ashford writes).

In a statement issued after the coup in Dacca the state Department said it regretted that the constitutional processes which had been introduced by the late President Zia had been overturned.

The United States had repeatedly emphasized in recent months the importance of a constitutional, national and democratic government and economic development in Bangladesh.

Officials said that the coup would not effect America's economic assistance programme to Bangladesh but the situation would remain under review.

Delhi: Mr P. V. Narasimha Rao, the External Affairs Minister, told the Indian Parliament that the situation in Bangladesh appeared to be under control (Reuters reports). India considered developments there an internal matter and did not expect any adverse effect on bilateral relations.

The Press Trust of India quoted West Bengal officials as saying the authorities in Dacca had sealed three rail and road crossings on the frontier with India.



Poles apart: refugees from camps in Austria disembarking from a train at Buchs, eastern Switzerland. They are the first of 1,000 who will be given asylum in Switzerland.

Pakistani teachers defy protest ban

From Trevor Fishlock Peshawar, March 24

Thousands of teachers demonstrated in the streets of Peshawar today demanding higher pay and shouting "Zia ul-Haq talks of Islam. We talk of not having enough to eat." They were dispersed by tear gas and by police wielding lathis (canes).

Demonstrations are banned under the martial law regime and it is a mark of the discontent felt by teachers, and others in Pakistan, that they should defy the ban and go on the streets.

The police tried to undermine the demonstration by arresting the teachers' leaders early this morning. They also detained teachers on their way into the city, capital of the North West Frontier Province.

New Polish journalists' union registered

Warsaw, March 24. — A new Polish journalists' trade union was legalized today to replace the National Association of Journalists whose dissolution for being too liberal was announced by the martial law authorities on Saturday.

The Association of Journalists of the Polish People's Republic was formally registered at Warsaw's City Hall, P.A.P., the official news agency said. Registration confers legal status on the organization, which has publicly dissociated itself from the "irresponsible actions of part of the leadership of the former association".

Mr Stefan Bratkowski, a communist reformer and chairman of the union de-

nounced the authorities' action as illegal when he appeared in public yesterday for the first time since martial law.

He told a group of Western reporters that he thought as many as 2,000 Polish journalists, about 15 per cent of the total, would lose their jobs because of their opposition to last December's military takeover.

A military tribunal has sentenced Mr Franciszek Mazur, a former Solidarity member to six and a half years in prison on charges of organizing union cells in Mielno, south-west Poland and distributing leaflets "containing false information which could have caused public unrest".

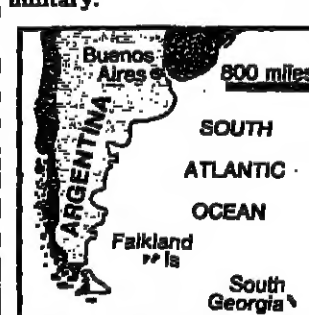
Navy sails to scrap merchants

By Henry Stobbe Defence Correspondent

The Royal Navy's patrol ship HMS Endeavour, was expected last night in South Georgia, the Falkland group island where a band of Argentine scrap metal entrepreneurs have made themselves more famous than Stobbe and Son.

What happened next was open to doubt, as Britain tried to secure the removal of the island's most illegal immigrants via diplomatic channels in London and Buenos Aires. But the presence of the 3,600-ton ice patrol vessel will strengthen the campaign for keeping her in the fleet, in the face of Government plans to sell her.

Between six and 10 of the 60 metal merchants who landed on South Georgia at the weekend are thought to be still there, sheltering under the Argentine flag at the disused Leith whaling station. Unconfirmed reports suggested that they were armed, because shots had been heard, and that some of the original party were military.



Most of the original party left, however, after protests from Britain, whose sovereignty over the Falkland Islands has long been the subject of negotiations with Argentina.

All that the Ministry of Defence would confirm yesterday was that HMS Endeavour was at Port Stanley when she was diverted to South Georgia, 800 miles to the south-east. Although the Ministry of Defence was not saying anything last night, it would be surprising if some of these marines were not on board.

The vessel was launched in Denmark in 1956, but was reinforced by Harland and Wolff when Britain bought her second-hand from a Danish company in 1967.

The Government decided after last year's Defence Review, however, that the annual £3m it cost to keep HMS Endeavour afloat was an expense that the Defence Ministry could ill afford, and Endeavour was put up for sale.

Letters, page 13

NEWS IN SUMMARY

Torture trial refused

Ankara. — The Ankara martial law prosecutor refused to start legal proceedings against three policemen in connexion with the alleged torture of a woman political detainee under interrogation last year (Rasit Gurdilek writes).

He ruled that apart from the claims of Miss Ayfer Arisoy, an alleged member of the leftist underground Revolutionary Road organization, there was no hard evidence to support the accusations. Recently, a Turkish Government spokesman admitted that 15 political detainees had died under torture as claimed by Amnesty International.

India criticized in hijack trial

Pietermaritzburg. — The presiding judge in the trial of 43 white alleged mercenaries charged with hijacking an Air India airliner in the Seychelles in November has criticized the Indian Government for refusing to allow the pilot and co-pilot to testify in South Africa.

But despite defence objections, Mr Justice Neville James granted the prosecution request for testimony to be taken from the pilots and the Seychelles Director of Civil Aviation before a local judge in the Seychelles capital, Victoria. The defendants, led by Colonel Mike Hoare, face four counts under anti-hijack laws carrying sentences of five to 30 years.

Fire-hit liner cuts cruises

Miami. — The SS Norway the world's largest luxury liner, will return to West Germany for dry-docking six weeks after a scheduled cruise, forcing cancellation of seven Caribbean cruises, officials said. Damage done last Friday in a boiler-room fire is the reason.

Cruises scheduled for this month and in April have been cancelled, affecting 12,000 booked passengers, all of whom are being offered full refunds or other cruises. Launched in 1960 as the SS France, it made its debut as a "floating luxury hotel" two years ago. Electrical and mechanical breakdowns have plagued it since.

Finnish party loses leader

Helsinki. — Mr Aarne Saarinen, the chairman of Finland's divided Communist Party, announced his resignation and predicted sweeping leadership changes at an extra party congress in May. He said he expected the deputy chairman, Mr Tatu Sinisalo, to resign too.

The Finnish Communist Party, has been in most Governments during the past 15 years, but its Stalinist faction has opposed this and has often voted against the Government in violation of party orders. Eleven of its 35 MPs are under suspension.

Border control to be eased

Hongkong. — Sir Murray MacLehose, the Governor of Hongkong, will sign next month, on the eve of his retirement to the House of Lords, an agreement with the Chinese authorities on joint projects to diminish the few remaining restraints on traffic across the border.

The No 1 border gate at Lowu will now remain open until 9 pm instead of 5 pm; additional road crossing links have been approved; and regular ferry services will operate from Hongkong to tourist resorts on the Chinese coast.

20 years for ex-minister

Vienna. — Zhivko Popov, the former Bulgarian deputy foreign minister, has been jailed for 20 years at a corruption trial in Sofia, the Bulgarian news agency BTA reported.

Three other men convicted with him of financial irregularities and offences involving hard currency transactions received prison sentences of 10 years, 15 years and 18 years the agency said. The sentences are not subject to appeal.

Dutch guilders for apartheid victims

The Hague. — The Netherlands has earmarked 1.9m guilders (£400,000) of aid for victims of apartheid and decolonization in southern Africa, the Development Cooperation Ministry announced. The African National Congress will receive 250,000 guilders of relief aid for South African refugees in Angola and Tanzania and the World Council of churches 550,000 guilders for its anti-racism programme.

French atom test

Wellington. — France detonated a nuclear device at its underground testing site at Mururoa atoll in the South Pacific on Sunday, according to New Zealand scientists. The explosion was rated at 15 kilotonnes.

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New law on the

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China From D:

The impending "dead" in the people sweep the graves and burnings, has been a Communist time when feudal money and custom are being burned.

Especially in China, clan feud there are open fight to grave site peasants. The have issued a warning of the stoking of the paper dragon burning of money as the fes in Chinese as Qin

New Mitterrand law rebounds on the socialists

From Charles Hargrove, Paris, March 24

The so-called "third ballot" of the local elections took place today in the 95 departments of metropolitan France and, as expected after its decisive victory in last Sunday's second ballot, the Opposition has cornered nearly two thirds of the presidents of the *conseils généraux*, the departmental assemblies.

In the process, the Opposition had become the main beneficiary of the Socialist Government's recent decentralization law, which has greatly extended their powers and made them heads of the local executives in place of the Napoleonic prefects.

Instead of 51 departmental assemblies it held before the last elections, the conservative Opposition now controls 58, while the left-wing majority, which held 44, has dropped to 35. As a result, the Opposition also stands to increase its control over most of the 22 regional assemblies. These are partly elected by the *conseils généraux*.

Poling for them will take place on April 15. At present, the Opposition controls 13 presidencies of regional assemblies, while the Majority commands nine. But the left is almost certain to lose control of Burgundy, upper-Normandy, and Franche-Comté.

There was uncertainty until the very last minute as to which way some *conseils généraux* would swing, because there was a tie between right and left in five of them, and in that case, the presidency goes to the *doyen d'âge*, the oldest member.

In the department of Corsica, always a law unto itself, M Pierre Predali, a Bonapartist classified as a member of the opposition, sided with the left today to everyone's surprise, and swung the vote in favour of a left-wing *conseiller général*, because as he explained, of the Majority's positive attitude towards the island's problems.

In Corrèze, the electoral fief of M Jacques Chirac, the Gaullist leader, where there was a tie, a Communist became President, as expected, because he was the oldest member.

The Opposition has made no bones of its intention of using its enhanced position in the departmental assemblies as a check on the administration at the local level. But it feared as a result of the left's setback at the polls, a waning of the socialist enthusiasm for decentralization.

M Gaston Defferre, the Interior Minister, has, however, proved a good loser. "I shall not change any of my plans, for that is the law of democracy," he declared on television. "We did not win. The others won. They will do more than us, in more departments than we, in more of the decentralization law. I regret it, but all the better for them."

In fact, the risk of the Opposition thwarting the action of the Government at the local level is small. But the electoral fall-out in terms of regional development and the distribution of economic aid is substantial, and will weigh heavily in the municipal and regional elections next year. These will almost certainly be held under a modified system of proportional representation, instead of first-past-the-post, as at present, because President Mitterrand is committed to it, and because the results of these local elections have convinced him that PR would limit the damage to the socialists in case of a sharp swing away from the left.

Public opinion has been strangely slow to appreciate the historic significance of today's break with at least three centuries of centralization.

Torture trial refused

Ankara. — The Ankara court has refused to start legal proceedings against three police officers in connection with the alleged torture of a woman politician in 1978.

The court, which is presided over by a judge, has refused to start proceedings against three police officers in connection with the alleged torture of a woman politician in 1978.

India criticized in hijack trial

Pietermaritzburg. — The trial of the hijacker who was charged with hijacking an Indian airliner in December 1978, has been criticized in the Indian Government for refusing to allow the pilot and co-pilot to testify in South Africa.

But despite defence objections, Mr Justice Neill granted a prosecutor's request for testimony to be given by the pilot and co-pilot, who were the hijacker's victims.

Fire-hit liner cuts cruises

Miami. — The SS Norway, the world's largest liner, has been ordered to cut its cruises to West Germany after a fire broke out in its engine room on Tuesday.

The fire, which broke out in the engine room, forced the liner to return to port. The ship is expected to resume its cruises after repairs are completed.

Finnish party loses leader

Helsinki. — The Finnish Communist Party has lost its leader, Mr Antti Kallio, who has resigned after a long illness.

Mr Kallio had been the party's leader for many years. His resignation was announced by the party's executive committee.

Border control to be eased

Madrid. — The Spanish Government has announced that it will ease border control measures between Spain and Portugal.

The measures, which were introduced in 1974, will be relaxed to facilitate trade and travel between the two countries.

20 years for ex-minister

London. — A British court has sentenced a former minister to 20 years in prison for fraud.

The man, who was a member of the Conservative Party, was found guilty of defrauding the government of millions of pounds.

Dutch guilders for apartheid victims

Amsterdam. — The Dutch Government has announced that it will provide financial aid to victims of apartheid in South Africa.

The aid, which is in the form of guilders, is intended to help the victims of the apartheid system.

French atom test

Paris. — France has announced that it will conduct a series of atomic tests in the Pacific.

The tests, which are part of France's nuclear deterrent program, will be conducted over the next few months.



Amnesty claimed in Tshombe hijack trial

From Harry Debelius, Madrid, March 24

The trial of Francis Bodemann accused of hijacking the aircraft which carried Moïse Tshombe, the late Congolese politician, to imprisonment and death began in Palma de Mallorca today, with a demand from the prosecution for a 20-year sentence for the defendant.

Mr Tshombe's last flight began on the Spanish Mediterranean island of Ibiza on June 30, 1967, when he boarded a chartered Hawker Siddeley 125 bound for Mallorca. The aircraft landed instead in Algiers, where he was arrested. Two years later he died in an Algerian prison, it is said, from a heart attack.

The trial, before a military court, aroused considerable interest because of suspicions of international intrigue. M Bodemann, a Frenchman, aged 48, said in pre-trial newspaper interviews that he was acting as an agent of the Zaire Government at the time of the hijacking. Mr Tshombe was then living in exile in Spain, and was suspected of planning to make a third try to seize control of the diamond-rich Katanga province.

The aircraft was owned by Gregory Air Service, a British company, and its pilots were Mr Trevor Coppleton and Mr David Taylor, two British men. In addition to Mr Tshombe and Mr Bodemann, the passengers included two Belgian men and a Belgian woman and two Spanish men.

Disease blamed on E Germans

March 24. — With 2,600 cattle, sheep and pigs in Denmark already destroyed after seven outbreaks of foot-and-mouth disease, East Germany was blamed today for not giving earlier warning.

The Danish Agricultural Ministry said that with earlier warning "we might have been able to limit the spread of the disease."

In East Germany travel to six north-eastern districts has been banned because of the disease.

Given more time to think, an office clerk could come up with the odd original idea.

In 1905, a young clerk in the Swiss Civil Service, a man with a mediocre academic record, wrote a paper which was to become known as the Special Theory of Relativity.

Albert Einstein had learnt to think.

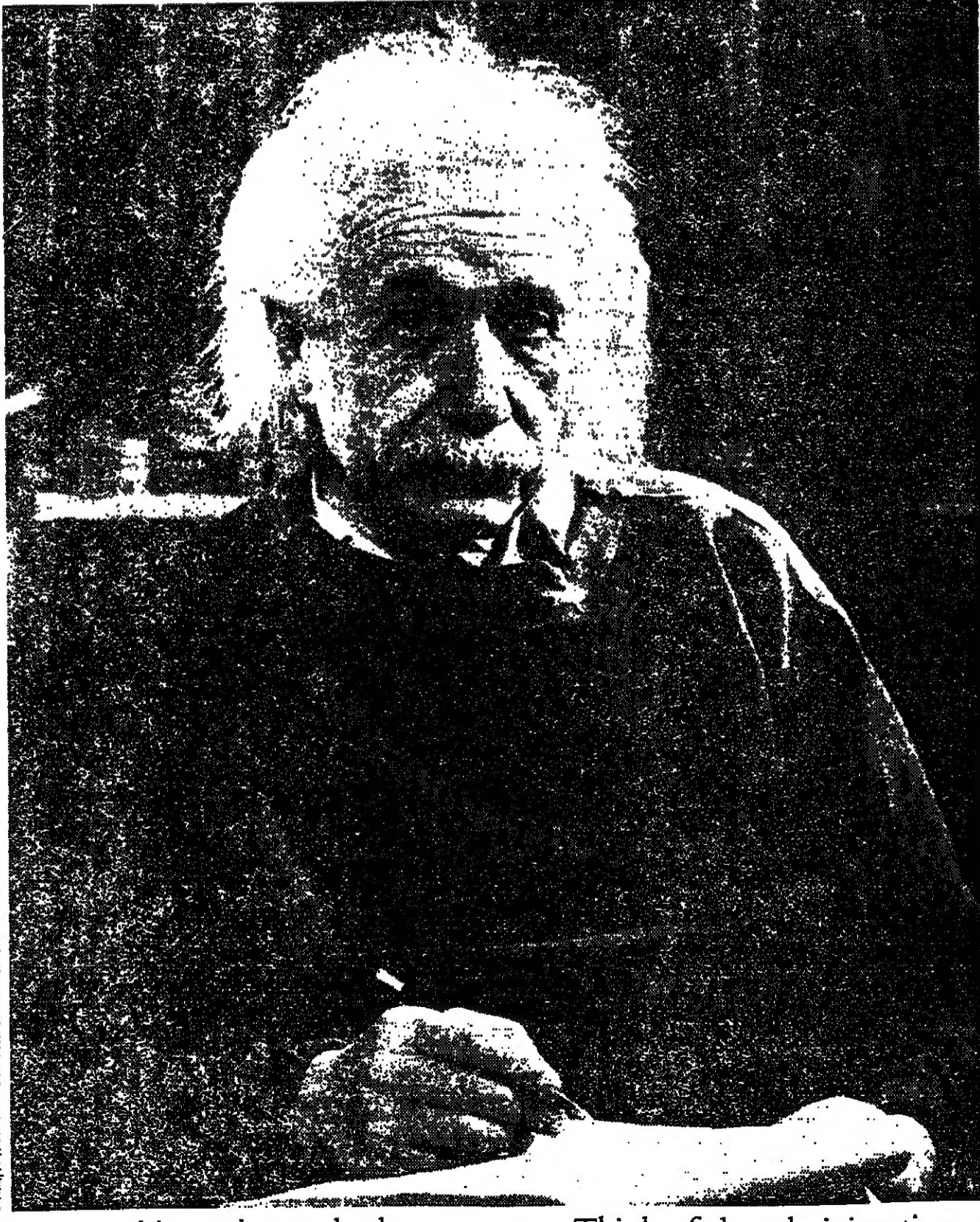
His method was to hold the problem of the moment in his mind relentlessly and without distraction.

One way he achieved this was by never bothering to commit facts to memory. He felt it would clutter his mind, needlessly. There were better uses, he thought, for the human brain.

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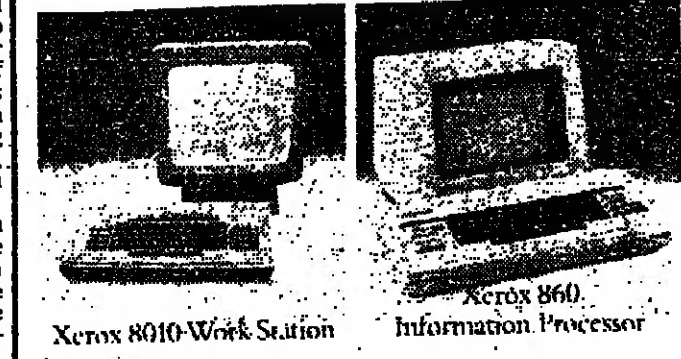
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China opts for cremation

From David Bonavia, Hongkong, March 24

The impending "festival of the dead" in China, when people sweep their ancestors' graves and burn paper offerings, has been punctuated by the Communist Party as a time when feudal and superstitious customs disturb social order and must therefore be curbed.

Especially in southern China, clan feuds may turn into open fighting when there are disputes about the title to grave sites among the peasants.

The authorities have issued a warning against the stoking of such feuds by clan elders, the manufacture of paper dragons and the burning of ritual paper money at the festival, known in Chinese as Qing Ming.

A campaign is under way in some provinces to persuade people to let themselves be cremated rather than insisting on burial.

Peasants are being urged not to waste crop-growing land by building burial mounds on it, and even to refrain from burying their dead on their private plots of land. Some officials, it is claimed, have failed to set a good example by allowing themselves to be cremated, preferring to be buried with expensive ceremonies.

In the Central Asian region of Xinjiang, ethnic Chinese settlers are exhorted to accept cremation; but the Islamic indigenous people are exempt if their religion demands burial.

Shuttle lavatory fails: both astronauts ill

From Piers Akerman, Houston, March 24

Colonel Jack Lousma and Colonel Charles Fullerton were given an extra hour's sleep today to compensate for a strenuous day's activities yesterday but they awoke to more problems on board the space shuttle Columbia.

The most pressing and distressing problem was the failure of the shuttle's lavatory which Colonel Lousma, the mission commander, discovered soon after awakening.

In the gravity-free atmosphere of space the astronauts relieve themselves into a commode fitted with a fan which sucks the waste away from their bodies into a separator that collects solids and fluids.

The separator, known as a slinger, is driven by an electric motor which has apparently overloaded. The unit now has a slower speed but it is not capable of coping with faeces without clogging the system. If the unit cannot be repaired the astronauts will have to defecate into a bag placed into a commode and dispose of them in the shuttle's waste stowing system.

The breakdown may be related to the motor's sickness the two astronauts have reported. Colonel Lousma is the most seriously affected but both men are being treated. Mr Tom Holloway, the flight director at the Johnson Space Centre in Houston, today refused to discuss the nature of the medication.

Officials of the National Aeronautics and Space Administration (Nasa) decided to substitute tomorrow's activities for those scheduled for today in order to give the astronauts a lighter work load.

Tomorrow's programme is

less taxing. The main event is the insect motion experiment to be carried out for an American schoolboy, who hopes to study the ability of these moths and flies to adjust to gravity-free conditions.

The original programme planned for today includes extensive operations of the Columbia's remote-controlled manipulator arm, which was to have been used to deploy a plasma-measuring package in the atmosphere above the shuttle's cargo bay.

Mr Holloway said there was also a possibility of a leakage in the space shuttle's nitrogen supply during last night.

Instruments on board the space craft measured a leakage of about 20 lb but Mr Holloway said the measurement may have been caused by unusual thermal conditions or inaccurate instruments.

The astronauts slept much better last night but they again reported receiving interference on their radio circuit as they flew over Iran and China. Mr Holloway said the interference appeared to be coming into the shuttle's circuit on the UHF frequency commonly used by aircraft.

It was speculated earlier that the interference may have come from Soviet single-side band over the horizon radar but Nasa officials now say it was definitely UHF signal.

The officials are confident that Columbia will complete a full seven-day flight during its third mission in space. "We all would like to have the spacecraft about perfect, but considering this is the third time Columbia has flown, we are doing as well as we can expect," Mr Holloway said.



Guard duty: A Guatemalan armoured car attracts a big crowd outside the presidential palace.

Guatemalan junta dissolves Congress

Guatemala City, March 24.

Guatemala's new military rulers, who took power in an apparently bloodless coup yesterday, have abolished Congress and suspended the constitution. A junta, led by Brigadier-General Efraim Rios Montt, promised to guarantee peace and security in a country where more than 4,000 are believed to have died in political violence in the past two years.

General Rios Montt also called on the guerrillas to lay down their arms, and warned if you don't, we will take them away from you. We will shoot anyone who breaks the law. An Army spokesman said that any intended violence on their part would be "immediately and drastically repressed".

The officers staged the

coup because, they said, the presidential elections, less than three weeks ago were "manipulated by a corrupt minority".

General Romeo Lucas Garcia, the deposed President, had been ordered out of the country. General Rios Montt said. There was no official news about General Anibal Guevara, the President-elect, who won the March 7 elections, and was due to assume power in July. A report from the American Embassy said that Mr Frederic Chapin, the Ambassador, had talked to General Guevara, who was safe.

General Rios Montt, who stood unsuccessfully for the Christian Democrats in the 1974 presidential election, made his first address on

radio and television last night, as about 2,000 heavily armed troops surrounding the National Palace began to withdraw. —Reuter.

Washington: Government officials have adopted a wait-and-see attitude to the new Guatemalan junta (Nicholas Ashford writes). They particularly want to know whether the military junta will be expanded to include civilians, what the "reforms" promised by General Rios Montt will entail, and whether social democratic and left-wing parties will be allowed to participate in the event of new elections being held.

Commenting on the coup, Mr Alexander Haig, the Secretary of State, said that it was still too early to make any substantive comment,

and he was still waiting for the situation to be clarified.

However, administration officials have expressed cautious optimism based on remarks made by General Rios Montt, that the political leanings of the coup leaders may not be as far to the right as originally feared.

General Rios Montt promised to restore authentic democracy. He said elections would be held for a new Government; but gave no date, and promised to unveil a programme of reforms soon.

The United States wants to resume aid to Guatemala because, in Mr Haig's view, it is "the next target" after El Salvador for Cuban and Nicaraguan-backed insurgents operating in Central America.

Reading the entrails of the coup

By Peter Stafford

In times gone by, a military coup in Guatemala would have been dismissed as one more manifestation of the chronic instability of a small Central American country, and would have received little attention from the outside world.

Tuesday's coup was different, however, because it took place at a time of turmoil throughout the region, and because Guatemala, the most populous of the Central American states, is seen by the Reagan Administration as playing a key role in its attempt to stem the tide of communism.

Britain is concerned, too, because of the continuing Guatemalan claim to Belize. Belize became independent last year, but some 1,400 British troops had to remain there, to deter a Guatemalan invasion. The British Government would like to be able to withdraw them.

It is not clear yet whether

Tuesday's coup represents a clear change of policy in Guatemala City. Guatemala has been ruled by the military for many years, and the main effect of the coup has been to replace an older generation of army officers by the "young officers" who claimed credit for it.

For Washington, that could be either good or bad news. It would be bad if the driving force behind the coup came from the extreme right, and if it led to even more violent repression against the left-wing guerrillas in the countryside.

The fact that the leaders of the coup were obviously trying to appeal to members of the National Liberation Movement (MLN) suggests that this may be the case. The MLN is on the far right of Guatemalan politics, and any indication that it was in control would make it difficult for the Reagan



Administration to muster support for helping the new regime.

A coup from the right would also be a bad precedent for neighbouring El Salvador, where elections for a constituent assembly are due to be held on Sunday. There are frequent rumours of a right-wing coup in El Salvador, which would be a further setback for Washington.

There is, however, another interpretation of the Guatemalan coup. It is that the officers who staged it were concerned about the growing strength of the guerrillas, and took the view that it was important to repair relations with Washington, so that they could get the assistance they needed.

Relations with Washington have been cool since the days of the Carter Administration, when arms sales were cut off because of abuses of human rights in Guatemala. The Reagan Administration would like to improve relations, but the obvious fraud in the March 7 elections made this difficult.

This interpretation suggests that there is a good deal of scope for the Americans if they choose to make their influence felt by the new regime. They can insist on improvements in Government policy, and particularly an end to the repression, in exchange for the aid



Under new management: General Efraim Rios Montt (centre), the president of the junta which seized power in Guatemala on Tuesday, announcing the dissolution of Congress. He is flanked by General Horacio Maldonado (left) and Colonel Francisco Gordillo.

Cricket tour is likely, Gandhi says

By Our Foreign Staff

The Indian cricket tour of England is likely to go ahead this summer, Mrs Indira Gandhi, the Indian Prime Minister, hinted yesterday.

Asked whether the Indian test side would be allowed to visit Britain after the imposition of a three-year ban on the "rebel" English players now in South Africa, she replied: "I don't think there will be any problem."

Shortly before, at a press conference, she had been more evasive, saying that the decision "not entirely in my hands" and that the issue was "ticklish".

"Friendly African countries feel strongly about this subject," she added. Cricketer, she explained with a smile was not a subject about which she knew much, having never played it herself.

Mr Gandhi, who is half-way through her British tour, accused the Western press of "double standards" in reporting on issues such as Afghanistan compared with its treatment of events in Latin America, and some African countries where she said, outside interference was taking place.

India did not regard the Soviet presence in Afghanistan as an invasion, as the Russians had been invited by the Afghan Government. However, she was firmly opposed to foreign interference or subversion.

Later Mrs Gandhi spent more than an hour talking with 30 British intellectuals over cups of tea and coffee at Claridges. They met her in small groups and talked about a wide range of subjects. But an Indian High Commission spokesman would not disclose details saying that "it was an off-the-record occasion."

Sir Ranulph has to go forward backwards

By Nicholas Timmins

Sir Ranulph Fiennes's Transglobe expedition to the North Pole has run into fresh trouble. It is having to go backwards to go forwards.

The expedition's London headquarters said that the mildest Arctic winter on record has left the two-man team of Sir Ranulph and Charles Burton almost marooned on an ice pan three-quarters of a mile in diameter, with open water 400 yards wide surrounding it on three sides.

To escape, the expedition is having to head 10 miles south in precisely the wrong direction, in order then to head west and eventually north-west, back towards the Pole.

Even then, its problems are far from over. The pilot of the aircraft that on Tuesday dropped supplies to the two men reported that while there looks to be solid, old ice from around 87° North, some 200 miles from the North Pole, the expedition will still have to cover some 120 miles through areas with masses of small cracks and leads in the ice before reaching it.

The expedition, currently some 325 miles from the

North Pole, needs to make 15 miles a day to reach the target by April 15, the date after which the ice normally starts to break up so badly that it would be impossible.

In the past week it has averaged only nine miles a day. The expedition headquarters said yesterday that the pilot, who worked out the backward and sideways route now needed, estimated that the detour would take three to four days.

"They are going to be very pushed to make it now by April 15," a spokesman for the expedition said.

The difficulties have arisen even though the temperature has dropped back to -36°C. At that temperature the ice should freeze over, but the expedition's headquarters said that it is now moving about so much that it fails to freeze solid.

The extent of the problem can be seen in a radio message from Sir Ranulph's wife Virginia from the base camp Alert. She said: "When I look north from here I should see an expanse of unbroken ice. All I can see to the horizon from Alert is open water."

A right-wing leader, who has made much of the running in El Salvador's election campaign has added further to the tension here by claiming that the results of next Sunday's election have been rigged in advance.

The accusation was levelled by Major Roberto D'Aubuisson, a former intelligence officer who heads the National Republican Alliance (Arena), at the closing meeting of his party's campaign.

The meeting was held on the eve of the second anniversary of the murder of Archbishop Oscar Romero during a mass at a convent in the capital. He was an outspoken opponent of human rights violations in El Salvador.

A Mass to honour the memory of Mr Romero today at the cathedral was cancelled because his successor, acting Archbishop Arturo Rivera Damas, said he feared a large concentration of people could provoke political violence.

Major D'Aubuisson's last meeting was held in the National Gymnasium, an auditorium which took on all

El Salvador election

Vote is rigged, candidate says

From Paul Ellman, San Salvador, March 24

The aspects of the Berlin Sportspalast believed by the Nazis in the 1930s.

A flag-waving crowd chanted: *Patria si, comunismo no* as bands played songs in praise of Major D'Aubuisson, the *maximo lider* (the "great leader").

Wild cheers filled the building as the Major, dressed in a black windcheater and wearing the cross of a medieval crusading knight's order arrived on the podium.

His speech was the by now a familiar tirade against the Christian Democratic Party whose leader, Señor José Napoleón Dante, heads the junta of civilian and military figures which rules El Salvador.

Major D'Aubuisson alleged that the Christian Democrats were in reality stalking horses for the left-wing guerrillas of the Farabundo Martí national liberation movement, who have vowed to disrupt Sunday's election.

How much of the mud he has thrown at President Duarte has stuck will be known only when the results of the election are released. However, Major D'Aubuisson

son and his party have decided to guard against the possibility of their defeat by claiming that there could be a "fraud" on Sunday to ensure that the Christian Democrats continue at the head of the Government.

It is widely recognized that a victory by anyone else but the Christian Democrats would be a setback for United States policy in El Salvador as President Duarte is the only figure the Reagan Administration can sell to Congress, and even that with great difficulty.

Major D'Aubuisson is said to enjoy the support of a number of junior officers in the security forces. The high command, particularly General José García, the powerful Defence Minister, is understood to be hoping for a Christian Democratic victory as this would ensure the continuing flow of United States military aid.

An added embarrassment facing the United States in the event of a victory by Major D'Aubuisson is that he was deported from the United States last year after illegally entering.

Tension on West Bank

Three more Arabs killed by Israelis

From Christopher Walker, Jerusalem, March 24

Two more young Palestinians were shot dead by Israelis in the occupied West Bank today, bringing to four the number of Arabs killed since the dismissal of the El-Bireh town Council last week. Another Arab youth was killed by Israeli gunfire in the Gaza Strip.

In today's incident with the most serious implications, a 17-year-old Palestinian named as Farhan Khadir was shot by Jewish civilians, presumed to have come from the largest West Bank settlement, Kiryat Arba. The settlement of concrete, high-rise buildings looks down upon Hebron, a city holy to both Jews and Arabs.

An Israeli military source said that the settlers opened fire after their vehicle had been attacked by stone-throwing demonstrators from East Nablus, the Arab village closest to the settlement. The source said that three of the Jews had been injured in the stone-throwing, which began after Arabs had blocked the road with barricades of bricks and rubble.

The official Israeli military account of the incident said that the Jewish civilians had opened fire in self defence, hitting the youth in the chest.

The killing came only 24 hours after another West Bank settler, Mr Natan Natanson, was surrounded by the Jerusalem magistrates' court in connexion with the fatal shooting last week of another Arab teenager who was alleged to have taken part in a similar stone-throwing protest near the settlement of Shiloh. Police allege that Mr Natanson, aged 37, had committed premeditated murder.

The shootings have raised a serious question mark over the powers of the settlers, most of whom carry sub-machine guns or rifles when outside their fortified settlements.

In today's other fatal shooting, a 22-year-old Arab was killed in the occupied town of Jenin. According to Israeli officers, he was shot dead after he stabbed a member of a patrol who saw

him inciting local shop keepers to close their stores in solidarity with the general strike. In a village near Rafah in the Gaza Strip a third Palestinian was shot dead by soldiers dispersing a stone-throwing crowd.

The killings took place during the sixth consecutive day of widespread unrest and violence throughout the occupied territories. Shortly before news of these was made public, radical Palestinian leaders called for the general strike to be extended.

Tel Aviv: Israeli forces thrust across their northern frontiers this morning and thwarted the first attempted overtland terrorist infiltration since December, 1980, according to the military command here (Moshe Brilliant writes).

Three armed Arabs were encircled in mountainous brush and gave up without a fight, it was stated. Military sources said the attempted incursion was a violation of the suspension of hostilities agreement of July 24 mediated by Mr Philip Habib, President Reagan's special envoy.

An Israeli patrol south of the electronically monitored frontier fence, detected the figures advancing toward the border this morning north of Hanita, a kibbutz on the Mediterranean flank of the frontier. They passed through a gate in the fence to territory controlled by Israeli-Lebanese allies, the militia commanded by Major Sa'ad Haddad, and set out after the men.

They traced them to their hide-out, surrounded them and called to them to surrender. The Arabs, armed with Kalashnikov assault rifles.

Cairo: A leading adviser to President Mubarak today urged Israel to show self-restraint in West Bank to give a chance to a negotiated settlement of the Arab-Israeli conflict.

Mr Osama el-Baz, director of Mr Mubarak's political bureau, said Egypt was closely watching the developments and hoped they would not grow worse.

Letters, page 13

Phone tap scandal in Greece

From Mario Modiano, Athens, March 24

The public prosecutor of Athens has ordered an investigation into the tapping of a classified telephone in the home of Vice-Admiral Odysseas Kaperos who just resigned as naval chief of staff after a dispute with the Government over senior Navy appointments.

The case took on strong political overtones as the security minister, traced the tapping to the vacant flat of a conservative former deputy who once lived across the street from the Admiral.

The pro-government press has described the affair as a "Greek Watergate", but Mr Evangelos Averoff, the leader of the conservative opposition, rejected the insinuations as a ploy to mislead the official inquiry. "This is an issue of national character," he said.

The top security telephone was installed in the Admiral's flat shortly after the Socialist Government appointed him chief of the Greek naval staff in January.

The tapping was discovered five weeks ago, but nothing was said. Security experts found a twin line leading to the rented flat of Mr George Papadopoulos, a New Democracy former MP who, after his defeat in last October's election, no longer resides in Athens.

Although a discreet inquiry was set up, news of the affair was leaked in the conservative press yesterday, just as Admiral Kaperos's resignation was accepted by the Government.

The Admiral had clashed viciously with the Government after it refused to reassign him to a senior naval officers' post approved by the Supreme Naval Council under his chairmanship.

Sources said the Government particularly insisted on naming a naval officer to the sensitive post of director of naval personnel. The council had rejected it probably because the officer's father-in-law had been an extreme left wing politician.

The Government asked Admiral Anastasios Roberts, who was next in seniority, to take over as chief, but he insisted that the council's appointments should be respected.

The Government then took the unprecedented step to purge three admirals and make way for Rear-Admiral Nikos Pappas who was promoted to vice-admiral and appointed chief of the Navy general staff yesterday.

Admiral Pappas who was captain of the destroyer *Georgios Averoff* at the time of the abortive Navy revolt against the Greek junta in June 1973, took his ship out of a NATO manoeuvre and into Naples where he and his men obtained political asylum.

10,000 decry award to Reagan

From Christopher Thomas, New York, March 24

To everybody's astonishment, at least 10,000 people took to the streets of central New York City tonight to protest about a humanitarian award being presented to President Reagan at the Hilton hotel.

The participants, mostly young and peaceful, carried banners objecting to almost every aspect of Mr Reagan's economic and international policies. In particular, they were appalled that he should be regarded as humanitarian.

At the ceremony Mr Reagan insisted that the files proved he cared about the needy. "Today I am accused by some of trying to destroy government's commitment to compassion and to the needy. Does this bother me? Yes. He said he was attempting to slow down the destructive rate of growth in taxes and spending and to prime non-essential programmes so that enough was left for the truly needy."

By the time he delivered the speech, the crowd had largely dispersed, but the organizers, the Coalition to Roll Back Reaganism, were jubilant. They had expected no more than a few thousand protesters, but now they had high expectations for a demonstration on Saturday.

The New York demonstration was impressive enough for Mr Reagan to depart from his prepared text. "Yes, I will at times be disappointed over the path we should take," he said. "But I cannot change such a dialogue by talking out with decency and understanding without a time of hatred."

He was presented with the Charles Evans Hughes gold medal for humanitarian leadership in government, civic and humanitarian affairs, by the National Conference of Christians and Jews, which was formed in 1929 to combat bigotry, particularly anti-Roman Catholic feelings.

His presence at the \$250-a-head dinner was the latest in a series of appearances around the country, apparently designed to counter the image that he lacks "compassion" for those hurt by budget cutbacks.

The choice of Mr Reagan as the recipient of the award caused disension within the conference and many senior officials dissociated themselves from it. An "alternative award dinner" consisting of cheese and ketchup was organised by some of them at a university campus nearby.

President Reagan used his speech to fulfil a commitment made in November to leaders of American Jewish organizations "to speak out against anti-Semitism and racism, and have no part in the national dialogue."

NEWS IN SUMMARY

MX missile loses cash vote

An important Senate armed services subcommittee has unanimously recommended nearly halving the Reagan Administration's request for 1983 spending on the controversial MX missile. (Mohsin Ali writes).

The strategic and theatre nuclear forces subcommittee yesterday voted 9-0 behind closed doors to cut about \$2,000m (£1,100m) from the \$4,300m requested for development of the first MX missiles and for research and development. The subcommittee does not want to kill the MX but it is refusing to advance any more money to build MXs or prepare existing Minuteman silos to house them temporarily until President Reagan decides where he wants to put the new 10-warhead intercontinental ballistic missile.

The recommendation has to go before the Senate armed services committee.

Nato rejects nuclear freeze

Colorado Springs. — Nato defence ministers held a final session of talks that have strongly reaffirmed their resistance to what they see as Soviet efforts to block the alliance's nuclear modernization.

Informed conference sources said the 13 officials, in their two days of talks, unanimously dismissed as propaganda President Brezhnev's announcement last week freezing deployment of SS-20 missiles west of the Urals.

Improved offer to islanders

The British Government has made a considerable improvement in its compensation offer to about 900 families who were evicted from the Chagos archipelago in the Indian Ocean about 17 years ago to make way for a joint British-American defence base.

A Foreign Office spokesman said that the original offer of £1.25m had been increased during current talks in Mauritius between the islanders and a small team of British negotiators. He added that the new offer did not go as far as the £8m being sought by the islanders.

Congo blast "killed 15"

Paris. — An explosion in a Brazzaville cinema at the weekend was a terrorist blast which killed 15 people and not five as officially reported, a telephone caller, claiming to be of the "Patriotic Armed Group of the Congo".

The caller said his group wanted clarification of the murder of Marien Ngouabi, former head of state, in March, 1977, and the jailing of President Joachim Yhombi Opango in 1979.

THE 505 ESTA
Official expo
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Jerusalem, March 24

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Romantic crying Wolfe

From Bauhaus to Our House
By Tom Wolfe
(Cape, £6.95)

Architecture is the most inescapable of the higher arts, just as cookery is at a humbler level. One cannot live and work in the open all the time nowadays, just as one cannot subsist on nuts and berries. Tom Wolfe, continuing in this book the assault on modernism begun in *The Painted Word*, is touching a universally sensitive nerve. Ghastly painting can be avoided without too much difficulty; ghastly buildings one may find oneself living in.

building on a large scale, the new architecture began to leave its mark, most eminently perhaps at the lower end of Park Avenue, with buildings by Gordon B. Shaw and culminating in the Seagram building of Mies.

In America the intended victims of most of the new architecture were not the workers of Mitteleuropa, but the middle-class class. As it turned out they had other ideas.

They ended up in places like Islip, Long Island, and the San Fernando Valley of Los Angeles and they bought houses with pitched roofs and shingles and clapboard siding, with no structural expression of there was any way around it, with gas-light style front-porch lamps and mailboxes set up on lumps of stiffened chain that were to defy gravity the more care and anxiety touched the better - and they loaded these houses with "drapes" such as baffled all descriptions and wall-to-wall carpet you could lose a shoe in, and they put barbecue pits and fishponds with concrete cherubs urinating into them on the lawn out back, and they parked the Buick Electra out front and had Evinrude cruisers out on tow trailers in the carport just beyond the breezeway.

was doing more than mocking a fashionable fatuity; this stance was closer to Juvenal than E. F. Benson. 'Now he has come out, for all his white suits and up-to-date-ness, his generally cool self-presentation, as a nativist, a protector of culture made by Americans - against - serenity to imports, hard-sold through the high-pressure salesman's patter of theoretical rubbish. In the book's very first sentence, which begins "O beautiful, for spacious skies, for amber waves of grain..." a Whitmanesque note is sounded which recurs plangently from time to time. What could be closer to "Song of Myself" than "Our visionary avant-gardists! Rockefeller, Goodyear, Sullivan and Bliss! O oilmen, lumber men, dry-goods jobbers and wives!" Back to before 1914 is the underlying principle. It has not proved possible to keep them down on the farm, now that they've seen Paris. The old native ways are dramatized in an angry confrontation with the Frank Lloyd Wright, last of the great pre-modernists, and Gropius.

Tom Wolfe's method calls for drama and personalization. This book, like its predecessor on painting, is hostile to theory and his ways with theory are perfunctory to the point of frivolousness. But his heart is an admirable place on the whole. One would, however, need to be very much committed to the democratic myth to share the shock he feels at an architect's remark: "We are asked to take seriously the architectural taste of real-estate speculators, renting agents, and mortgage brokers." Also he does tend to run together things that are not necessarily connected. The dreadful hives of much public housing are one thing; "functionalism" another. Only the fact that public housing has to be cheap and that modern buildings can be built more together. Modernist architecture is essentially dehumanizing; its "striated heaps" are in principle indifferent to the surroundings. But it is only accidentally tyrannous. And surely much of it is rather fine. The human can be all too human.

Anthony Quinton



The Reunion of the Soul and the Body by William Blake from Robert Blair's *The Grave*, edited and introduced by Robert N. Essick and Morton D. Paley (Scolar, £45), the first full publication of this important series of engravings and drawings...

Nor shall the conscious soul
Mistake its partner; but amidst the crowd
Singing its other half, into its arms
Shall rush, with all th' impatience of a man
That's new come home, and, having long been absent,
With haste runs over every different room,
In pain to see the whole. Thrice happy meeting!
Nor time, nor death, shall ever part them more!

Anthony Quinton

Dear Old Bill

The Politics of Change
By William Rodgers
(Weidenfeld & Nicolson, £7.95)

Bill Rodgers would be my candidate as leader of the SDP. He may not be as nice as Shirley Williams, as experienced as Roy Jenkins, as handsome as David Owen; but he comes with less baggage than any of them. Shirley Williams brings her own conscience, Jenkins his clarity, Owen his charisma. All three, their wretched and public agonizing. But not our Bill. He is authentic, long-standing social democrat, in the Labour Party for years simply because, then, he had nowhere else to go. Ever since the 1952 Party conference when he ostentatiously stood through the standing ovation after Hugh Gaitskill's triumphant anti-Common Market speech, Rodgers has been an isolated figure (even Jenkins stood up). "Charlie, all the wrong people are cheering," Dora Gaitskill was heard to remark (to Charlie Pannell) as the applause died down. It was not just the left who were cheering; but many on the right, too. Anti-market people are cheering. Dora Gaitskill was heard to remark (to Charlie Pannell) as the applause died down. It was not just the left who were cheering; but many on the right, too. Anti-market people are cheering. Dora Gaitskill was heard to remark (to Charlie Pannell) as the applause died down. It was not just the left who were cheering; but many on the right, too. Anti-market people are cheering.

For Rodgers, the Common Market was, and is, a subject of his considerable passion and idealism. No single issue lies more behind the SDP split than this one. Rodgers hints at this when he writes that the "internal developments in the Labour Party in the eighteen months following its defeat in May, 1979, determined the manner and timing of the break, but they were not its root cause". Curiously, however, there is no chapter in this book about the Common Market, nor Rodgers' international vision. Nor is there a chapter on his other passion, the left, and the case for nuclear weapons. All one is left with here is a strange contrast between Rodgers' view of relations between states, and those between classes. On international conflict, Rodgers is a thorough-going hawk, on domestic conflict, a wishy-washy pacifist. "I see no prospect of converting the nations to a world in which war is not an ultimate instrument of policy," he writes, on one hand. On the other, exactly the liberal which he finds and condemns in the Left's approach to defence he displays in his view of the domestic conflict, where his appeal is to "goodhearted and liberal-minded people". The fault in today's society lies, according to Rodgers, in different sections not understanding the other's point of view. It's the Ovalism and digestive biscuits approach to politics which, in the end, will be the downfall of the SDP.

Jack Straw

The Rebel Angels
By Robertson Davies
(Allen Lane, £6.50)

The rebel angels in title were Samah and Azzel, who betrayed the secrets of Heaven to King Solomon, and were therefore chucked out of heaven by God. But they were not megalomaniac bad losers like Lucifer. Instead they gave mankind another boost up the ladder; they came to earth and taught the secrets of the occult, magic, and the occult. In this joyful novel they are a pair of middle-aged male unmarried dons at a Canadian University of St John and the Holy Ghost (Spook for short). The book is an agreeable surprise for readers who suppose that out of Canada nothing new or witty can come, and for defectors who sigh world-weary that campus fictions are passé. Both rebel academics are in love with the delectable medievalist post-graduate Maria. An unpublished manuscript by Rabelais is discovered in a mountainous bequest by a scholarly magpie, and promptly stolen by another scholarly magpie. The scandalous Brother Parlabene comes home to roost and indulges in bizarre sexual practices. The author is a bearded magus himself, Oxford-educated, journalist, now Master of Massey College in Toronto, and a wit. There is murder, theft, suicide, and a lot of assorted plot, alongside much urbane chat, scholarship, Rabelaisian goings-on, and satire. In short, it is an intelligent farce, and highly recommended.

Philip Howard

Poetry

P. J. Kavanagh has always been a poet who seems equally at home (yet intelligently uneasy) whether in city streets or in rural lands. His *Selected Poems* (Chatto & Windus £4.95) is a very fine book indeed, and leaves me in no doubt that the time has come for a reassessment of the reputation of this unsung but most accomplished writer. Kavanagh (who is the son of Ted Kavanagh who wrote the scripts for "Itma") has, sometimes spoiled, or fudged poems of undoubted inspiration by turning aside into gags at his own expense, but his critical mind has performed a first-rate job in choosing for this volume the best things from the five books he published between 1959 and 1979. He writes well about happiness (which is rare); his love poems are never sentimental; most remarkable of all, he has the knack of turning the simplest nature note into something which goes beyond observation of the outer weather - and to do this without being portentous. Here is a complete poem, "Sun Overcast" which illustrates that last gift.

When brightness leaves the trees
they seem to fall
Backwards, deprived of shadows,
then rise again in a cool
Diminution of waiting, solid
Is what they mean when death
makes audible
Beyond our ears and, I feel, as
simple.

I remember the late James Keats once remarking to Blunden for having a Muse with an "unassuming Saxon grace". Kavanagh has the same grace. She may never be fashionable, but I'd wager she has a persistence which will survive this fashion and that.

George MacBeth's *Poems from Oby* (Secker & Warburg, £4) shows a writer who was once as cosmopolitan as Ashbery trying to break new ground. Only one poem in the book, "Thoughts on a Box of Razors", harks back to the familiar MacBeth in its preoccupation with violence, menace, the poet as a sort of Jack the Ripper stroking his own wit as if it were a knife with which he might do unmercifully nasty things to his Muse. For the rest, the tone is domestic, the setting pastoral, and the mood rather wistfully contented. MacBeth has apparently settled down in a Norfolk rectory, calmed his imagination by concentrating on country, and decided that it is time to take risks by rhyming flowers with showers, and staving off melancholy with verses like this:

In my opinion, the tilt is not yet fruitful enough to make these poems strong, but there are sufficient successes (e.g. the excellent "To Preserve Figs") to make me hope that MacBeth will continue to cultivate his rural garden.

Fiction

Mid-Century Men
By Arthur Hopcraft
(Hamish Hamilton, £7.95)

Tony Craddock, concerned journalist turned TV scriptwriter, is rising fifty and preoccupied with the "mysterious awfulness" of his hangovers. Thus doubly emboldened, he agrees to meet Peter Franklin, a young, fashionably enunciated, investigative reporter, who claims to be preparing a series about politics on TV. But it soon becomes clear that Franklin's real objective is the destruction of Craddock's old chum Roy Llewellyn, former Labour MP, now a Home Office Minister in the Lords. Their childhood friendship continued through National Service and Roy's early political career, but they've been estranged in recent years, which convinces Franklin that Tony is the man to investigate some of the ugly rumours about the Minister.

Enfascinated by the young Trot's hair-shirt radicalism, and more than a little infatuated, Craddock accepts the challenge and lingers off up North towards Dan Smithland, where Llewellyn made his reputation as a political Mr Fixit two decades earlier. It turns out to be a journey back in time as well as in space, because *Mid-Century Men* is composed largely of flashbacks which illustrate the development of the two men's careers, and the flowering and eventual withering of their friendship, during the Wilson years.

Craddock becomes disillusioned as the early promise of a revolution fuelled by the white heat of technology gives way to cynical new management. The internecine struggles and the lack of any serious political purpose are too much for him to stomach, so he takes his conscience off to the Third World. Roy Llewellyn on the other hand thrives in an atmosphere uncontaminated by high ideals, and finds his talents particularly well-suited to the North East world of night-clubs and lucrative urban renewal contracts.

The Safety Net

By Heinrich Böll
Translated by Leila Vennewitz (Secker & Warburg, £7.50)

Security has suddenly become a threatening word. It now means guards with guns, secretly gathered information, elaborate mechanical devices. Böll sees the safety net stretched out beneath public figures in today's confused society as a net that ensnares and, ironically, destroys. His central character, Fritz Tolm, is an elderly newspaper proprietor, a simple man, whose steady success and comparative lack of ambition have somehow combined to make him a suitable puppet president of an association of industrial chiefs. So he must have the full security treatment, he must be protected from "them". The lives of his family and friends are disrupted: they become prisoners in their own homes and

alienated from their long suffering neighbours. Helicopters and police cars and furtive investigators move in as his menace. He makes the greatest threat to Tolm's safety come from within his own family. One son is a committed member of the alternative society; the other has, in the past, been a "rock thrower". His former wife Veronica is still at large and working with Bev, another terrorist whom the Tolm family have known from childhood. The panic and fear in the situation is built around the sort of threat which these present. Will they strike through somebody's cigarette lighter, casually offered but set to explode? Or could one of the wild ducks which fly past Tolm's window be a skillfully camouflaged floating bomb? Everything is suspect and the tension builds up only to end in anticlimax when Bev is arrested in a women's shoe shop and Veronica appears, at last, on target with nothing more sophisticated than a bicycle wired with explosives which she then surrenders, uninvited to the nearest policeman.

The characters, although there are an extraordinary number of them, are mostly either vague or enigmatic, because this is not a story about people but a warning about the newest sort of repression in a disintegrating society. Much of the action is seen from a distance and Tolm, in telling his side of the story, relies on weary aphorisms. "The best we can do," he says, "is acknowledge the fact that we are prisoners - that we'll perish in security, perhaps from security." It is a tired man's nightmare.

John Nicholson

The Rebel Angels

By Robertson Davies
(Allen Lane, £6.50)

The rebel angels in title were Samah and Azzel, who betrayed the secrets of Heaven to King Solomon, and were therefore chucked out of heaven by God. But they were not megalomaniac bad losers like Lucifer. Instead they gave mankind another boost up the ladder; they came to earth and taught the secrets of the occult, magic, and the occult. In this joyful novel they are a pair of middle-aged male unmarried dons at a Canadian University of St John and the Holy Ghost (Spook for short). The book is an agreeable surprise for readers who suppose that out of Canada nothing new or witty can come, and for defectors who sigh world-weary that campus fictions are passé. Both rebel academics are in love with the delectable medievalist post-graduate Maria. An unpublished manuscript by Rabelais is discovered in a mountainous bequest by a scholarly magpie, and promptly stolen by another scholarly magpie. The scandalous Brother Parlabene comes home to roost and indulges in bizarre sexual practices. The author is a bearded magus himself, Oxford-educated, journalist, now Master of Massey College in Toronto, and a wit. There is murder, theft, suicide, and a lot of assorted plot, alongside much urbane chat, scholarship, Rabelaisian goings-on, and satire. In short, it is an intelligent farce, and highly recommended.

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John Nicholson

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On the 25th anniversary of the Treaty of Rome, Julian Amery recalls a momentous lunch-time meeting

How Churchill's dream of Europe foundered

On September 30, 1946 I was invited to lunch by Churchill. The other guests were Duncan Sandys, who had helped to prepare Churchill's Zurich speech, my father, Leo Amery, the guardian of the Conservative Party's conscience on the Commonwealth, and Boothby. Our purpose was to launch the European Movement.

Churchill saw Europe as a grand alliance against Soviet imperialism and as the means of bringing Germany back into the family of nations.

But could British leadership of the Commonwealth be combined with membership of Europe? Here all agreed with my father that Britain could not join a European Federation with supra-national powers. But we could, certainly, belong to a European league of sovereign states. The Commonwealth itself was just such a league. The two could interlock.

France, Holland and Belgium, still colonial powers, would face similar problems. These could be harmonized. Sterling might even become Europe's reserve currency.

The European Movement was duly launched with Sandys as its architect. Political leaders on the Continent, newly released from prison or returned from exile, gathered eagerly around Churchill.

A rally at the Albert Hall, followed by a succession of meetings in the capitals of Europe, led up to the Hague conference (1948). This called for a Council of Europe composed of a Committee of Ministers and a Consultative Assembly.

The French, Italian and Benelux governments backed the Hague proposal. The Atlantic government reluctantly agreed.

Robert Schuman, inspired by Jean Monnet, now came forward with his plan for a Coal and Steel Pool. Bevin rejected it, arguing that it involved a surrender of sovereignty. Churchill supported it, confident that he could secure any necessary amendments when again in power.

But Churchill's main concern was to rearm Germany for the defence of Europe. He called for a European army. His idea was immediately rejected. The Labour Government was taken over by the French Government, who proposed the European Defence Community.

The year 1951 saw Churchill back in power. His personal



Antonio Segni and Konrad Adenauer sign the Treaty of Rome 25 years ago; and right, Robert Boothby, Churchill, Leo Amery and his son Julian who met in 1946 to launch the European Movement

prestige was unequalled. Britain, with a united Commonwealth and Empire, still seemed a great power. Our industry was intact, our armed forces the strongest in the west after the American, sterling was an international reserve currency second only to the dollar. It was in Churchill's power to create a United Europe and give it such institutions as he chose.

True, the Demo-Christian leaders of France, Italy and Germany would have preferred a Catholic "Charlemagne Europe" without Britain. But Churchill's prestige and Britain's influence were such that he could not have stood against him.

The crunch came over the European Defence Community. At Strasbourg, Maxwell-Fyfe, in a speech previously cleared with the Cabinet, declared that Britain would play a full and honourable part in a European army. A standing ovation followed. We then dispersed for lunch.

When we met again in the late afternoon my Continental colleagues deliberately turned their backs on me. At a press conference in Rome the same afternoon, Anthony Eden had repudiated

Maxwell-Fyfe and declared that Britain would not join the European Army. The whole European Movement felt betrayed.

What had happened?

Two of Churchill's most powerful colleagues, Eden and Butler, had never supported his European crusade. Nor had the Foreign Office and the Treasury. The pro-European Ministers in the Cabinet, Maxwell-Fyfe, Macmillan and Sandys, had no departmental base from which to challenge the Foreign Secretary and the Chancellor of the Exchequer. Churchill was ageing and his health precarious. Eden had his way.

Thus the first and best opportunity of fashioning Europe to Britain's hearts desire was lost.

There was to be a second opportunity. In 1955 the French Parliament threw out the European Defence Community proposal mainly because Britain was not in it. Eden then proposed the Western European Union. This committed Britain to keep an Army on the Continent, indefinitely. Churchill's vision was coming true after all.

Next year Nasser's seizure of the Suez Canal revived the *Entente*

Cordiale in practice and in sentiment. Shortly before the Suez operation, Guy Mollet told me that once Britain and France had successfully confronted the United States over the Middle East we could confidently build a United Europe around a Paris-London axis.

Mollet left the leadership at Suez to Britain. But then came the ceasefire dictated by Eisenhower and accepted unilaterally by Eden. The French felt betrayed. But Suez was a defeat for the whole of Europe, marking Europe's subordination to the Super Powers. This was the second opportunity to build a United Europe under British leadership.

Those who had all along wanted to see a Federal Europe of the Six, without Britain, now went ahead with the negotiations which culminated 25 years ago today in the Treaty of Rome.

The Foreign Office judged the project stillborn, but nearly five years later and after much hesitation Macmillan saw no option but to apply to join the European Community.

Macmillan and de Gaulle's conception of Europe was much the same. Both saw it not as a

federation but as a league of Sovereign states. The other European states would have welcomed us, but de Gaulle judged Britain still too strong to be admitted to the Club. We, and not France, would have become the leaders. Hence his veto.

In conversation not long afterwards, de Gaulle predicted a decade or two of decline for Britain. He foresaw a Socialist victory to be followed by a Conservative government "perhaps under Heath". By that time, he reckoned Britain would have been weakened enough to be an acceptable partner. It was indeed Heath who secured our admission to the Community. But by that time we were no longer in a position to dictate our terms.

Two great opportunities had been lost; the third - Macmillan's attempt - had proved to be the pursuit of a mirage. Now we have been full members for a decade. Overall the bargain has been good. More than 40 per cent of our exports go to the Community and nearly 60 per cent if we include associate members - much more than we ever sold to the Commonwealth and Empire. We are certainly in no position to dominate the EEC. But nor for that matter are France and Germany. Yet Britain could still make a great contribution to it. We possess an independent nuclear deterrent and highly trained professional forces, we have our own oil resources and we enjoy relative social stability.

Then what is the way ahead? The Community is already a Customs Union and will become a full payments area as soon as we decide to join the European monetary system. But if countries pool their trade and financial interests they need to develop foreign and defence policies to promote and protect them.

So the time has come to return to Churchill's original concept of how best to unite Europe against the threat of Soviet imperialism. How best, in short, to make the European Community a valid partner for the United States in what must increasingly become not just a North Atlantic but a global alliance.

Julian Amery was a delegate to the Consultative Assembly on the Council of Europe, 1950-53 and 1956; and Minister of State, Foreign and Commonwealth Office, 1972-74. He is a Conservative MP for Brighton Pavilion.

Ronald Butt

Where the SDP must aim

If Mr Roy Jenkins takes Hillhead today, he will have achieved little of fundamental importance for the long-term future of the SDP, apart from the benefit of his presence in parliament. The SDP exists, so it claims, "to break the political mould". Yet if Mr Jenkins is victor, it is quite likely that he will have taken a further step towards breaking it in a sense very different from the purpose of the SDP's founders.

The founders of the SDP were Labour not Conservative politicians who had fought for years to stay in the Labour Party and to make it a socialist party acceptable to them. They were resisting, not all public ownership, and control but the extent to which the left wished to take it, and above all, the left's fighting against the left's neutralism in foreign policy which is prompted largely by Marxist instincts.

Yet it was not any specific argument over policy that finally drove them out of the Labour Party but the success of the left in its attempt to make the leader, the parliamentary party and the manifesto subservient to the party conference, together with growing Trotskyist influence.

Since they had come to the conclusion that Labour was now a party unit for power in a democracy, they seceded in order to replace it as the principal party of the left. The SDP was to be heir to the Anti-Corruption tradition. That was the basic position of Dr Owen, Mr Rodgers and Mrs Williams at the start.

But the problem for any new party is how to get off the ground and for the SDP to do so initially needed Tory as well as Labour votes.

Although the SDP secured no defectors from among Tory politicians (apart from the monumentally insignificant floor-crossing of Mr Brocklebank-Fowler) it quickly attracted disaffected Tory and non-aligned voters. It carried logic that the SDP should make common cause with the Liberals, which was achieved through the Roy Jenkins-David Steel axis.

So the SDP has been increasingly driven to present itself as something quite different from either of the old parties and taking equally from both. Its embracing of proportional representation emphasises its centrist position.

Moreover, it has so far only been Tory seats that the Alliance has taken and although this is principally because no Labour seat has been vacated with a majority that could be overturned, an SDP victory at Hillhead could do no more than confirm the Social Democrats as a centrist party, more attractive to Tories than to Labour voters.

Looking further ahead, the SDP's commitment to proportional representation, if implemented, would, if highly unlikely that we should get a single-party government again - which would be a disaster - of the claim to replace Labour.

Even without PR, it is possible that if the SDP establishes itself as a party that temporarily attracts more Tory than Labour voters, it will assist the Liberals to capture a number of Tory seats where they have been running second, but without the Liberals being able to reciprocate by helping the SDP to capture Labour seats equally.

If the Alliance holds the balance after the next election in a centrist position, it would probably have to form a coalition with the Tories, without Mrs Thatcher. Labour would continue its drive to the left and if the coalition failed by its policies of economic management, incomes and price control, and inflationary spending, to prevent another economic crisis, Labour might return to power far more left-wing than ever. If (improbably) the coalition succeeded, however, the Alliance could well be absorbed in a new Tory Party.

The more likely outcome, however, would be a shifting series of centrist governments of varying composition achieved under PR but still unable, given our union structure and the capacity of the unions and a leftist Labour Party to make mischief, to govern Britain effectively.

The last chapter in Mr Williams' recent book, *The Politics of Change*, is called "Breaking the Political Mould." The social assumptions of the old parties are worn out, he says, and the mismanagement of Britain under the two-party system shows that this system no longer works. What he ought to have said is not that the system is bad but that the division of power between the two chief parties that now exist works badly.

He also argues that the idea of a stable two-party system is a myth - citing the three-party period during which earlier in the century Labour was replacing the Liberals and the coalitions of the 1930s and 1940s. But this simply proves that the party structure can change, when there is need, without PR. The truth is that we have a system which allows parties to be replaced in this way but then rightly tends to revert to a two-party alternative - which is a way of securing structural change while maintaining a system under which voters can be put to the electorate that demand a clear answer.

The curious feature of Mr Rodgers' analysis is that it explicitly leads back to the SDP as a replacement of Labour while proposing an electoral system that makes this difficult, if not impossible. Whatever Mr Jenkins's position, Mr Rodgers leaves no doubt about what he wants. "The task of the Social Democrats now is to supplant the Labour Party as the natural party of the centre-left in Britain." He is quite right that this is what it should be.

One does not have to be an SDP supporter to understand that a two-party system divided between the Conservatives and the SDP (in Labour's place) each embracing the mixed society and economy, but one emphasizing personal and the other collective responsibility is what Britain needs to restore the consensus which has broken down principally because Labour and the Liberal unions refused to accept it.

Mr Rodgers understands all this very well. He also understands that the Conservatives do not ultimately stand in the same danger as Labour from the SDP and will remain "the acceptable vehicle for the centre-right of British politics." But alternative to what?

Though he sees the SDP as "firmly on the non-ideological centre-left" the question remains how, reaping Tory seats, exploiting tactical votes, allied with the Liberals and committed to a PR future which will constrain the SDP as much as any other party towards the Social Democrats, are going to supplant Labour and thus recreate the consensus we need - even though, as Mr Rodgers observes, Labour is losing support generally more than the Tories are.

Whatever happens at Hillhead it will not help the SDP towards its necessary goal of supplanting Labour. Only when the Social Democrats take a solid Labour seat will they have the makings of a more solid basis than that which temporarily annoyed Tories can provide.

For the last two weeks the public and politicians have been bombarded with crime figures. Concern about law and order has led to intense pressure on Mr William Whitelaw, Home Secretary, and will today produce what is likely to be a fierce House of Commons debate.

But as MPs, like Mrs Thatcher last week, grapple with the complexities of the officially recorded crime figures, they might reflect on one simple fact. The figures tell neither the truth about the extent of crime nor about police success in clearing it up. Any law and order campaign based on them is therefore bogus.

This is not to say that there is no cause for concern about the true amount of crime, nor about the viciousness of much of it. But it is to say that as indicators of the amount of it, the crime figures are worse than useless; they can be misleading.

As was pointed out in *The Times* diary last week, research suggests that there may be up to 10 times as much crime as is actually reported. And up to two thirds of what is reported as crime by the public may not be finally recorded as such by the police. Under-reporting has been especially common in cases of alleged assault and thefts from the person.

The Home Office figures issued on March 12 and Scotland Yard statistics two days earlier were of recorded crime last year.

The criteria for what is recorded may vary from force to force. One study showed that in Oxford 6 per cent of reported offences and other complaints were written off as "no crimes" compared

with fewer than two per cent in Salford.

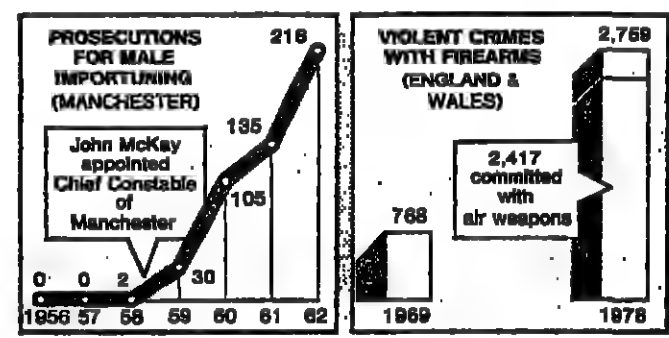
Twice in Manchester in recent years there have been apparent surges in particular sorts of crime; yet this had less to do with the extent of crime than the priority given by new Chief Constables to tackling it. One was Sir John McKay. Before his arrival in 1959, there was only one prosecution for male impersonating in 1955, none at all in 1956 or 1957 and only two in 1958. The figures thereafter were 30 in 1959, 105 in 1960, 135 in 1961 and 216 in 1962.

Mr James Anderson was appointed Chief Constable of Greater Manchester on July 1 1976. That year 55 search warrants were executed under the Obscene Publications Acts and there were proceedings in 25 cases. The comparable figures in 1977 were 287 warrants and 134 proceedings, and in 1978, 151 warrants and 91 proceedings. Mr Anderson told the Manchester Statistical Society: "Every year the Home Secretary presents to Parliament statistics relating to crime and criminal proceedings in England and Wales for the previous year. But precisely what do the figures tell us about the state of criminality in the nation and what do they suggest should be done about it? Very little, is the answer I would give."

He described robbery figures as "described robbery figures" and said a count of serious crime figures could be "utterly

Why politicians should beware of crime statistics

The great myth of the detective



pointless. "Robbery" might refer either to a serious hold-up of a security guard carrying a large sum of money from a bank or to the taking of some force or violence of one schoolchild's dinner money in the playground by another pupil.

Another study of a police force showed that 37 per cent of house burglaries recorded in the Chief Constable's annual report were in fact attacks on prepayment meters, with no other property stolen or damaged. Whether the crime was recorded as simply "theft from meter" or house burglary depended apparently on police assessment of the "moral character" of the complainant.

One of the most emotive arguments, essential to the debate about the return of capital punishment, is about the number of firearms used. That argument was rebutted by Chief Superintendent Mike Hoare of the Metropolitan Police, in an MSC thesis

done for the Cranfield Institute of Technology. Crimes of violence against the person with firearms showed a "frantic rise" from 768 in 1969 to 2,759 in 1978 in England and Wales, but 2,417 committed with air weapons.

Air-weapons are dangerous, but not so dangerous as a "firearm".

Courts may also downgrade the initial assessment of the seriousness of the violence. A classic study of violence 20 years ago found about two out of every three of those found guilty of a crime of violence were convicted of a lesser crime than that with which they were originally charged.

And a study of robbery discovered that fewer than two thirds of defendants were convicted of the principal offence with which they were charged: between 15 and 20 per cent were acquitted, and a further 15 to 20 per cent were convicted of a lesser offence.

Was Southey to blame for our troubles?

"George Gilder, an American who believes the way to create wealth is to let creative men of faith have lots of money, goes further than our own Lord Annan in blaming Britain's stagnation and decline on our intellectuals."

Annan, as I disclosed recently, is considering writing a book connecting our economic malaise with the anti-industrial attitudes of people like Evelyn Waugh and George Orwell. Gilder, programme director of the International Center for Economic Policy Studies in Manhattan and author of a best-selling book called *Wealth and Poverty* which is published in its British edition today, traces the trouble back to the nineteenth century poet Laureate, Robert Southey.

Early in the Industrial Revolution, Gilder says, Southey wrote two volumes of passionate prose about the manufacturing was all a terrible mistake, and made the cardinal error himself of supposing that wealth for some must create poverty for others. Ever since, Gilder argues, poets and clergy have combined with "trade union Luddites, neo-Ruskinian literati, nostalgic Tories, Gothic revival socialists and manor house Maoists" in self-fulfilling fantasies of decorous decay.

It was Macaulay, one English intellectual Gilder appreciates, who fingered Southey, what Gilder calls "a splendidly progressive essay."

On the other hand Adam Smith, author of *The Wealth of Nations* and father of free trade, proved a sad disappointment. He was astonished to find that Smith was a violent enemy of individual capitalists, making continual sneers and disdainful references to those in trade.

Intellectuals of the Right, Gilder concludes, are little better than those of the Left. They might like productivity but do not much care for producers.

This intellectual tendency toward bankruptcy, you will be glad to hear, is not exclusively British trait. It has, in Gilder's view, crippled America too. Capitalism will not be safe anywhere, he says, until we are prepared to defend capitalists.

Army manoeuvre

The British army has failed in its attempt to overturn *The Good Museums Guide*, published today. The tactics, according to Kenneth Hudson who edits the book, were an interesting tribute to the thorough and many-sided training provided by the Staff College, but the military's execution of their manoeuvre was "bizarre and chuckle-provoking."

Britain, says Hudson, has far more military museums than any other country in the world, including the Soviet Union. When few were included in the previous edition of the *Guide*, the opening shot was a letter from the association representing 150 army museums.

This was followed by a barrage of completed report forms used by the *Guide*'s panel of inspectors, but all filled in by the curators of the army museums,

THE TIMES DIARY

The London Serpent Trio celebrate their sixth birthday and their patronal festival. All Fool's Day - a week today with a lunchtime concert in the crypt of St John's, Smith Square.

The serpent, an ancient instrument which looks like an elephant's intestine and if not played well can sound like it too, is so

curvy that when properly held it directs the sound straight into the player's right-hand trouser pocket.

Christopher Monk, Alan Lumsden and Andrew van der Beek are the three players in the world. They play in tail coats and cravats, and their music has been variously described as "gruff as a snorting buffalo, as sinister as a wind among tombstones" and as "soft and gentle as the sigh of a baby... well, the baby's father".

Among the regrets for the dinner, planned to coincide with the EEC summit in Brussels on Monday, are those of Edward Heath, Harold Macmillan, Lord Home and Sir Harold Wilson.

Lord Thomson of Monifieth, former commissioner and chairman of the Labour Committee for Europe, is sorry, and Lord George-Brown cannot make it either.

At the last minute James Callaghan, Edmund Dell, former Labour Trade Secretary, and David Owen have been invited to make up numbers.

No time

Observant two- to four-year-olds watching *Play School* on BBC TV on Monday are likely to pester their parents to know why the clock has stopped. It is not going to be easy to explain, because it involves a three-way demarcation dispute between the broadcasting

Those who work on the programme cannot agree among themselves whose job it is to start and maintain the big electric cog with yellow wheels which is featured. The electrician claimed the job in 1980, and were opposed by the show's working operatives, who said the clock was a piece of scenery and therefore their responsibility.

Complaints kept the hands moving last week, but during a session, when the Association of Broadcasting Staffs joined in and the clock was stopped. Now infants anxious to tell the time may have to dial the speaking clock, and unless the unions crime together to get *Play School*'s timepiece ticking again there could be an all-out strike.

Non-runners

The TUC General Council yesterday brought its full weight against a proposal for a trade union sponsored "fun run".

In an untypical frank appraisal of their own limitations the council overwhelmingly defeated the scheme canvassed by jogging fitness fanatic, William Sims of the Iron and Steel Trades Confederation.

Sims failed even to find a second for his plea that a hostile committee report on his proposal - a run during the annual congress at Brighton in September - should be referred back. Presenting the report, round Clive Jenkins invited his colleagues to consider their average age and that of Congress delegates. The problems would be tremendous, he suggested, and qualified medical help essential.

Sims organized a successful fun

run during his own union's annual conference in Bourne-mouth last year. He ran out an easy winner.

Social rounds

In a publication called *The Public House, Leisure and Social Control* Dr Michael Smith of Salford University could be suspected of wanting to drive his readers to drink.

The public house, as an alcohol drinking context, mirrors the uniqueness of alcohol, its manufacture and consumption and attempts to control both, in the annals of the historical changes which have resulted in contemporary urban industrial society", he postulates.

And adds: "The public drinking house as a context for alcohol consumption, in relation to British society, has not evolved in a linear historical sense, nor in terms of a rational scheme for social change..." Look, what's yours?

Residents at Ringwood in Hampshire are raising a stink about a local farmer's plans to keep pigs near their homes. The house which would be worst affected, being right next door to the farrow barn, is called Pooh Cottage.

Papal gem

No sooner do I tell you that the BBC World Service is to broadcast the play by Pope John-Paul II than I hear that theatrical impresario Bill Kenwright is to present the same work under a different title, *The Jeweller's*

Shop, at the Westminster Theatre. Opening three days before the pontiff's arrival in Britain its cast will include Hannah Gordon and Gwen Watford. Robin Phillips is to direct.

Listening in

The ricochet of political sniping resounds in this week's issue of *The Listener*. On page 17 Sir Ian Gilmour, given the chance to review Nigel Fisher's book on Harold Macmillan, does not let slip the opportunity for some covert political attacks on Margaret Thatcher.

"Thus Fisher is said to show some small signs of having been mildly infected by the current economic fashion", and his comment that the sort of mixed economy Macmillan favoured "now finds general acceptance" is curiously described as "sanguine." Macmillan, Gilmour concludes, could have done more for investment and should have reformed industrial relations, but we have never had it so good again.

On page 26 Labour MP Philip Whitehead takes potshots at his near neighbour in Kenilworth, William Rodgers of the SDP. "We have lived not ten doors away from each other for many years but his book, *The Politics of Change*, reminds me of the houses in between."

It is a relief to find that on page 24 Gerald Kaufman, MP, is only writing about Maurice Chevalier.

PHS

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MR BREZHNEV'S CHINA CARD

Mr Brezhnev's appeal for improved relations with China from the relative proximity of Tashkent must be set against the long background of Sino-Soviet conflict. It is now ten years since President Nixon landed in Peking. He gave the Russians much more to worry about than they had had through years of argument with the Chinese. Divorce from China was bad. A possible war on two fronts was far, far worse. Gradually, however, their anxiety lessened as they reinforced their frontier, watched China's continuing instability following the cultural revolution, and built up hopes that the detente in Europe, formalised by the Helsinki agreement, would assure them stability in the west. While that lasted there was less cause to worry about China's friendship with America.

In the last three years instability in Europe, both military and political, has altered the balance. Detente has languished and the Russians have become worried by Nato's plans to install new missiles in Europe. Poland — always the most sensitive country on the western frontier — has become dangerously unstable. The Soviet Union's western flank no longer seems quite so secure. This may provide one reason for turning east to see if the Chinese mood has become more accommodating. Another could be to show Washington that Russia, too, can play the China card.

The first moves were made in 1979, by which time Mr Deng Xiaoping had succeeded the two cautious and inhibited Mr Hua Guofeng as China's policy maker. Talks were begun that autumn in Moscow, but with little hope of success; indeed after six meetings even the agenda had not been finalised. And then came Afghanistan to inflame yet

another corner of Soviet anxiety. The talks that were to have been resumed in Peking the following spring were curiously dismissed by the Chinese.

Since then the Russians have had better reason to hope for some response from the Chinese, thanks to Mr Reagan. His presidency has worried the Russians in Europe but has also worried the Chinese because of his attitude to Taiwan. The argument has gone on between Peking and Washington that the Russians are not ready to make more concessions to buy this friendship than China should risk. It is hard to calculate how much these objections to the Russian and American relationships have impeded Mr Deng in bringing about the economic and political changes in China of the past two years, but the evidence of tactical diversions and some outright reversals of policy suggests that stubborn resistance in some army circles has been a constant factor.

Asked by his visitors — American senators among them — why China has no hope of lessening the Soviet threat, Mr Deng's answer has always been that China will believe in Soviet goodwill the moment the Russian divisions on the frontier begin to be reduced. Without such a gesture, China's suspicion will remain. Can Mr Brezhnev hope for a Chinese move that would simultaneously nudge President Reagan on the subject of Taiwan and encourage the Russians to withdraw one or two divisions from the frontier?

Clearly the Chinese have shown their resolution over Taiwan in the past few months, as might have been expected by those who know China's feelings about the island. It is much less easy to define any concessions that China might think it worth making to improve relations with Moscow — the clashes in 1969

brought that home — but while Mao lived his bravura was enough to silence grumbling. Lately, China's economic "readjustment" has banished any hope that modern weapons will redress the military balance on the frontier in any foreseeable future. Equally there have been critics of the friendship with the Americans, especially since Mr Deng's galvanizing in Washington and Texas suggested that he was ready to make more concessions to buy this friendship than China should risk. It is hard to calculate how much these objections to the Russian and American relationships have impeded Mr Deng in bringing about the economic and political changes in China of the past two years, but the evidence of tactical diversions and some outright reversals of policy suggests that stubborn resistance in some army circles has been a constant factor.

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MEMBERS OF PARLIAMENT ON THE INDEX

Members of Parliament, on £13,950 a year plus expenses, are poor paid compared with most of their fellow legislators in the industrialised world and compared, in particular, with the fat cats at Strasbourg. Domestic comparisons give a similar impression: when MPs get their latest rise last summer the head of a recreation parks department in a third tier local authority was getting about the same and has shot up since.

It is not so much that the public grudges them their pay as that governments are fearful of the effect of a substantial rise upon other claimants. Even this government, newly elected in a mood to discountenance all incomes policies, tried to spread a recommended rise over three years as an example, only to provoke a backbench revolt.

From time to time the House appoints a select committee or passes a motion to rectify the position. Still the rate remains low and its upward mobility sluggish. To get a higher place in the earnings league they would have done well to place their affairs in the hands of Mr Clive Jenkins.

The select committee that reported this week is not concerned with the amount but with ways of fixing the amount. Two ways have been tried and one recommended. After the first apologetic authorization by members of Parliament to pay themselves a stipend out of national funds in 1911, the Ministry or a committee of the House would from time to time make

a recommendation as to the amount and the recommendation would or would not be implemented.

Then, in 1963, the first of the independent reports was commissioned. They are now undertaken at irregular intervals by the Review Body on Top Salaries. It was thought that a more thorough and more impartial examination could be conducted that way. It was also thought that it would help to take the question out of politics, a vain hope. The House still has to authorize payment of the money and the Government still has to make provision for it in the estimates, so the old stickiness and embarrassments still surround the procedures.

Those are the two ways that have been tried. The recommended way, recommended inter alia by a resolution of the House, is to go for linkage; tie the rate to that of say, an assistant secretary in the civil service, then sit back and watch it go up.

The latest select committee has gone for a combination of methods two and three. It wants regular reviews, in depth by the Review Body on Top Salaries, to consider changes in work load and in what might be regarded as the appropriate level of pay and allowances; and it wants "interim linkage" or automatic annual adjustments between reviews by reference to the nearest percentile in the Department of Employment's New Earnings Survey. It would like the major reviews to be held and decisions arising out of them

taken in the last year of a Parliament, thus sparing the freshly elected members their blushes as they vote themselves more money.

This is a little too pat. The vehicle for riding the inflationary road is too well sprung for the type of passenger it carries. MPs need primarily more generous allowances for defraying expenses necessarily incurred in the performance of their duties. To do their work they need to have better facilities and assistance than is now at the disposal of most of them. And there is no objection to that element in their remuneration being indexed for inflation once the level is properly determined.

Their salaries too, which ought to be middling, deserve to go up a bit. After that, however, there is a lot to be said for stickiness in the procedure for adjusting them. While the Civil List for royal expenses should be adjusted for inflation with the minimum fuss, the rate of salary paid from public funds to members should be adjusted with the maximum of fuss. It may be a primitive view, but it is surely sound one, that the elected collective in the Palace of Westminster, unlike the family in Buckingham Palace, is uniquely (though far from exclusively) responsible for the social evil of a debased currency; that it has unique (though not absolute) authority to palliate the mischief; and that it has no business to fix itself up with a lifeboat until it has taken the passengers off.

Young offenders

From Dr Harriet Wilson
Sir, A new clause has been tabled to the Criminal Justice Bill which would allow the courts to order young offenders aged 10-21 to stay at home between 6 pm and 8 am on weekdays and from noon at weekends.

This clause adds to the measures which are embodied in clauses 22 and 23 of the Criminal Justice Bill, all of which in effect enable the courts to impose sanctions upon parents. I do not wish to comment on the justice of relieving young offenders of the responsibility for paying a fine or compensation and imposing this payment on parents, or of imposing upon parents the onerous duty of guarding teenagers or young adults who under house arrest. My concern is merely to question the effectiveness of such measures.

For the last 15 years my colleagues and I, with Home Office support, have been investigating the methods used by parents who live in high-crime areas in preventing their children from becoming delinquent. We have convincing evidence of the effectiveness of a strict parental regime. Children from such homes tend to be only marginally, if at all, involved in antisocial pursuits. The children who become involved in more serious offences and, often at an early age, come from homes where supervision is lax.

This finding appears to support

a policy of legal measures designed to strengthen the authority of parents. But the matter is not as simple as that. The parents who supervise their children's activities do so because they have ideas about what is right and what is wrong. Their children receive two sorts of message — first, that certain kinds of behaviour are undesirable, and secondly, that certain children are not behaving in a manner that would warrant closer acquaintance. The technique of strict supervision of the younger child turns into imposed control as the child grows older.

Two factors contribute to the success of responsible parenting — material resources and parental resourcefulness. Gross and persistent poverty means that children are prevented from taking part in any activities that cost money and from developing hobbies and special interests. The art of supervising children in high-crime areas depends to a large extent on offering alternatives to the excitement of street life. This does not mean that families in poverty do not supervise their children; we have interviewed many families on subsistence incomes who persist in keeping up behavioural standards. But when poverty is coupled with parental illness or disability, as is often the case, parental resources are drained, and the attention of parents is focused on survival. Their children learn at an early age to fend for themselves.

It is obvious that court orders to pay their children's fines or to supervise curfew would not alter the predicament of these parents. What is needed is the relief of poverty. What to do with their children, once delinquent, is one of the seemingly intractable problems that led to the collapse of the rehabilitative ideal among reformers.

Lax parenting methods of better-off families present very different problems. Laxness is not always a form of negligence. Parents often try to compensate their children for the harshness experienced in their own childhoods. These parents would benefit from access to educators with whom they could discuss behavioural problems. This could be a function of the staffs of nursery groups, or of infant and junior schools. It could be provided in some forms of day-care for young offenders.

If lasting contacts could be made with staffs in the form of dialogues to explore the constraints of the environment, the hang-ups of tradition and fashion, and the growing pressures of the current economic crisis, then there is hope that something useful could emerge for parents.

Yours sincerely,
HARRIET WILSON,
Visiting Fellow,
University of Warwick,
Department of Sociology,
Coventry.
March 19.

Watching brief on cable television

From Mr David Widdicombe, QC
Sir, There is an aspect of cable television which has not been mentioned in any of the current enthusiastic reporting about it. As I discovered when I was in the United States recently, where cable TV is installed, the operating company can and does keep a computerised record of the viewing habits of its subscribers. It can tell who watches what and when.

I hope the Government inquiry will examine this "1984" aspect of the system as well as the obvious benefits.

Yours sincerely,
DAVID WIDDICOMBE,
2 Mitre Court Buildings,
The Temple, EC4A.
March 23.

From Mr Rory Johnston
Sir, The report on the future of cable services published today (March 22) by the Prime Minister's Information Technology Advisory Panel presents an exciting glimpse of the many possible services that will be offered. However, one serious implication does not seem to have been considered at all by the Government. Cable services will greatly encourage the spread of "electronic mail", whereby communications at present sent by letter will be delivered along the cable electronically, as an instant and at a fraction of the cost.

Electronic mail can therefore be expected to take away a large part of the Post Office's current business. But the post is an essential service and the Government must ensure that it does not have a connection to a cable or the necessary terminal equipment. How can the Post Office survive while its revenue is steadily cut while its costs stay the same? The postman has to walk past your house whether he has any letters for you or not.

Clearly a coordinated policy has to be thought out for all these communications services taken together. This is more difficult to achieve than in the case of law independent of the Post Office have been separated. The Government has not contemplated the problem yet, and it must do so without delay.

Yours faithfully,
R. J. D. JOHNSTON,
49 Upper Park Road, NW3.

National Service

From Mr Christopher I. D. Simpson
Sir, I read with interest Mr Desmond Neiligan's letter (March 18), concerning the use of National Service. He questioned the viability of commencing a new call-up campaign but, alas, I fear that it is as far as such dreams will go.

As he points out, in the late 1950s everyone accepted conscription as a way of life, but after such a long break a national bout of anarchy and apathy would greet any new suggestions of National Service.

At a time when all one hears about is how the Services are being cut back, and how the queue is growing, one could hardly expect youths to sign up for service only to sit around doing nothing for a majority of the time when they can do that out of uniform.

People that do want a taste of Service life have the chance to join such organizations as the Territorials. Should a new era of conscription begin, then this group would experience vast displays of anarchy, probably in the form of demonstrations and street riots, similar to those that we endured last summer.

In a period of much discontent amongst younger members of the population one couldn't expect them to join the Services as another alternative to the dole queue or job creation schemes.

Yours faithfully,
C. I. D. SIMPSON,
Royal Holloway College,
University of London,
Egham Hill, Egham, Surrey.

Italian mail delays

From Mr David McCormick
Sir, Your correspondents who grumble (March 18, 20) about the Italian mail delays may simply be unlucky. Certainly, most of my own correspondence to and from Italy takes four or five days; and the record is an express packet from a small town half way down the Adriatic, which took a mere 29 hours from post office to front door.

Incidentally, express letters from the United Kingdom now go by "Swiftair" — an oddity, in that "swift" is a word very little known by foreigners — and the extra postage is £1.50, not the £1 claimed by one of your correspondents.

Yours faithfully,
DAVID MCCORMICK,
122 Cambridge Street, SW1.

Death of a newspaper

From Mr C. G. Pole-Carew
Sir, Your article by Alan Hamilton (March 18) on the closure of the Nottingham News is inaccurate in its reporting and for a paper of your standing remarkably biased.

You have referred to me at considerable length and the company of which I am managing director, yet you did not even have the courtesy to elicit our version of the facts.

The strike in 1973 was not caused by our determination to introduce the latest printing technology against the union's will: the in-putting by journalists direct into computer did not in fact take place in this company until 1976. The strike was caused solely through an inter-union dispute regarding who did what

Arab unrest in the West Bank

From Sir Anthony Nutting
Sir, The unrest on the West Bank, reported so graphically by your correspondent over the past few days, reflects unquestionably the natural desire of the Palestinians to be free from alien occupation. The high-handed dismissal by the Israeli occupation of the democratically elected municipal council of El-Bireh which sparked the latest riots was just another example of the repression meted out to the Palestinians by their conquerors over the past 15 years, and demonstrates the duplicity of Mr Begin's pretensions to offer autonomy to the West Bank in accordance with the requirements of the Camp David agreement.

In this situation it is really proper or wise for Lord Carrington to visit Israel, as he shortly proposes to do, for the purpose of improving Anglo-Palestinian relations? Will such a visit at such a time not cause grave offence and suspicion not only to the Arab states and the Palestinians but to the entire Third World? The latest shootings of unarmed civilians by Israeli troops and the dismissal of the El-Bireh municipal council have been roundly condemned by the Israeli Labour opposition and by wide sections of the Israeli press. However, much the Foreign Secretary may intend, during his visit, to demonstrate privately with Mr Begin about these repressions, the fact remains that his arrival now on a mission of friendship will be seen through the eyes of the Palestinians as condoning Israel's maltreatment of the Palestinians and her contempt for repeated demands by the United Nations for her withdrawal from the occupied territories.

As far as I know, no British Government has ever unsaid the words of the 1939 White Paper, which solemnly proclaimed that the Government would regard it as "contrary to their obligations to the Arabs under the Mandate, to establish a Jewish state in Palestine, which have been given to the Arab people in the past, that the Arab population of Palestine

should be made the subjects of a Jewish state against their will".

That is precisely the issue today on the West Bank. That pledge still holds and Lord Carrington is still bound by it.

Yours faithfully,
ANTHONY NUTTING,
1½ Disbrow Road, W6.

From the Israeli Charge d'Affaires, a.i.

Sir, The letter of David Astor and others (March 19) includes the baseless charge that the Israeli authorities are denying the human right to education of the Arab students in the territories under Israeli administration. The closure of Bir Zeit University was a result of repeated violent activities by the students, culminating in the physical attack on a visiting education official. The university authorities claimed they were unable to guarantee the keeping of the peace on campus or the physical security of visitors.

As Mr Astor and his friends are aware, Israel has encouraged and assisted higher education for local population by enabling the upgrading of high schools to university status, there having been no universities in the area prior to the establishment of the Israeli military administration. Today there are four such institutions which, in addition to local students, include more than 1,000 undergraduate students from neighbouring Arab countries and double that number from Israel itself.

In the absence of a readiness or ability of the Bir Zeit authorities to discipline or control the riotous behaviour of the student body (activities which I believe would not be tolerated at any British university without sanction), the authorities had no alternative other than closure. To describe this as penalization of the students "for no fault of their own", is a grave misrepresentation both of Israel's motives and the situation prevailing at Bir Zeit.

Yours faithfully,
YOAV BIRAN,
Embassy of Israel,
2 Palace Green, W1.

Vatican relations

From Professor Colonel G. I. A. D. Draper

Sir, Your Religious Affairs Correspondent concludes his article "Full relations with Vatican resumed" (March 18), with the following sentence: "Technically relations are established with the Holy See, an entity in international law independent of the Vatican State which was granted recognition by the International community by the Congress of Vienna in 1815."

That is a curious observation which marks some confusion of the international law position of the Vatican State, the Holy See, and its incumbent, the Supreme Pontiff. The Lateran Treaty of 1929, concluded between Italy and the Holy See, in article 2 provided: "Italy recognizes the sovereignty of the Holy See in the international domain as an attribute inherent in its nature, in accordance with its traditions and with the requirements of its mission in the world."

By article 25 of that treaty Italy recognized the state of the Vatican City, in international law, under the sovereignty of the Supreme Pontiff. Thereby the Lateran Treaty created a new international law state person-

ality, the Vatican City, with the incumbent of the Holy See, the Supreme Pontiff, as its Head of State. That state is quite a distinct international law personality from that of the Holy See, a non-state international law personality.

The international law knows of a state, sovereign and independent, namely, the Vatican City, and a Head of that state, the incumbent for the time being of the Holy See, namely, the Supreme Pontiff. Both are international law persons, but only the Vatican City is a personality as a state.

This would appear to be a different position from that enjoyed by Popes before the annexation of the papal states by the Kingdom of Italy in 1870, when the Popes were monarchs of them and, as such, equal with all other monarchs of that time, but unique in being also heads of the universal Church. The papal states, or the patrimony of St. Peter, can rest its creation from the time of Pippin-le-Bref, and Charlemagne.

I am, Sir, your obedient servant,
G. I. A. D. DRAPER,
16 Southover High Street,
Lewes, Sussex.
March 18.

Homes safeguard

From Mr J. Bick

Sir, I write in reference to the article appearing on page 14 of today's (March 22) Times in which you refer to the discussion paper on home improvements which has been published by the Office of Fair Trading. You refer to the problem of long-term guarantees which a company issuing such a guarantee ceases to trade.

Members of the British Wood Preserving Association and the British Chemical Dampcourse Association have long been worried by a manifest weakness in long-term guarantees. For example, a contractor employed to eradicate insect or fungal attack, or to install a damp course, may issue a 30-year "guarantee" and then, within a few months, go out of business. The customer, despite the ostensible protection of the guarantee, has no recourse if the work fails to be effective during the lifetime of the guarantee.

To protect the public, this association has acted as a catalyst towards the formation of a guarantee cover scheme insofar as its own and the BCDA's members are concerned. The essence of the scheme is that each participating member will subscribe a substantial annual sum to a trust fund which will finance retreatment in any property under guarantee by a member without cost to the owner, if the member responsible for the work goes out of business. Insurers have agreed to underwrite the scheme and we believe that it will give the public greater confidence in the long-term guarantees issued by participating companies. Such participation will be limited to the members of the two associations.

The scheme will operate quite independently of the two associations and for some time the acting trustees have been in discussion with the Office of Fair Trading and the Department of Trade to finalise the details. It is hoped that the scheme can commence to operate in the late spring.

Insofar as the turnover in timber treatment companies is concerned, it is a condition of membership of this association that the companies applying shall have been substantially engaged in our field for a period of not less than three years. If they are able to comply with this requirement they are subjected to a stringent examination as to their technical competence, and it is a source of satisfaction that the number of failures in member companies over the years has been very modest in relation to the overall membership.

Yours faithfully,
J. BICK, Director,
British Wood Preserving Association,
Premier House,
150 Southampton Row, WC1.

Surgeon's hungry allies

From Mr S. Cresswell

Sir, Mr Denker (March 23) tells us some interesting things about leeches. But you also find them in Burma, as many members of the Fourteenth Army and XV Indian Corps will testify. They were also to be found on BCG's (March 19) of The Times. Denker's letter was published and on the back of Bogart at that!

I am, Sir, your obedient servant,
S. CRESSWELL,
32 Manor Road Extension,
Oadby, Leicester.

Upstaged

From Mr Laurie Lister

Sir, On page 13 of last Friday's edition (March 19) of The Times Preview it was stated that the "first staged version of the legendary MGM film, The Wizard of Oz, opens in London next week."

In 1969, when I was in charge of the Yvonne Arnaud Theatre, Guildford, I presented it there for the Christmas season. I too found obtaining the rights very difficult; it took me well over six months to obtain them.

Yours faithfully,
LAURIE LISTER,
Smurkham Orchard,
Sharnham Green,
Surrey.
March 20.

Measure for measure

From the Principal and the Vice-Principal (Administration) and Registrar, University College, Cardiff

Sir, On page 12 of your issue of March 19, 6 Down House School scholars = 6.5 column centimetres and 40 Fellows of the Royal Society = 5.5 column centimetres.

Hence,
DHSS = $\frac{40 \times 6.5}{6 \times 5.5} = \frac{260}{33}$, and
FRS = 8 FRS.

Is this the new mathematics or the new technology?

Yours etc,
C. W. L. BEVAN,
L. A. MORITZ,
University College,
Cardiff.
March 20.

Incident in the Falklands

From Air Commodore R. G. Frow

Sir, The recent illegal landing in South Georgia by a group of Argentine scrap merchants, followed by the raising of the Argentine flag on this British territory, highlights the vital need to retain a British naval presence in the South Atlantic.

In this incident, HMS Endurance was alerted and could have intervened if the "invaders" had not peacefully withdrawn. After the withdrawal of this ship, 42 Royal Marines will be the sole British military presence in the South Atlantic, and without a ship they "cannot exert British influence outside their base in the Falklands."

In 1977, the illegal occupation of South Thule by Argentine military "specialists" was a warning shot and, in 1982, is now followed by this provocative demonstration. Argentina has publicly welcomed the withdrawal of British forces as a sign of goodwill by Britain. It is still not too late to cancel this madness.

Yours faithfully,
R. G. FROW,
Honorary Secretary,
United Kingdom Falkland Islands Committee,
2 Greycoat Place, SW1.
March 23.

Romans and morals

From the Reverend Eric Mathison

Sir, When you have been discredited, to claim a moral victory is just part of the game; and Mrs Mary Whitehouse's version of the withdrawal of the prosecution's case against The Romans in Britain really cannot be allowed to go unchallenged.

She claims that she has established an important point of law. She has, of course, done nothing of the kind. Mr Justice Staughton's rulings in this case are open to dispute and it will still have to be tested whether or not a judge's rulings after a *nolle prosequi* are binding.

What Mrs Whitehouse has achieved is to make it likely that there will be an amendment to the Theatres Act to ensure that private prosecutions like her own will no longer be possible. For that we must be grateful to her.

More serious is her apparent claim, yet again, to be the guardian of the nation's morals. Her theology in this respect is quite misconceived. It is an axiom of Christian moral teaching that one's service to the Lord must be given freely; a Christian conscience cannot be coerced. There are many examples from Christian history to show the evil that results from trying to do so.

But perhaps even more important is the disturbing thought that Mrs Whitehouse seems to think that the year of stress and anguish that she has inflicted on Michael Bogdanov and his family is a reasonable price to pay for the points that she was anxious to make. She cannot agree with her. Compassion and charity may sometimes be inconvenient but, for someone acting from a Christian conscience, they must surely be paramount.

Yours faithfully,
ERIC MATHISON,
Vicar of St Alphege, Southwark,
and Chaplain to the National Theatre,
South Bank, SE1.
March 22.

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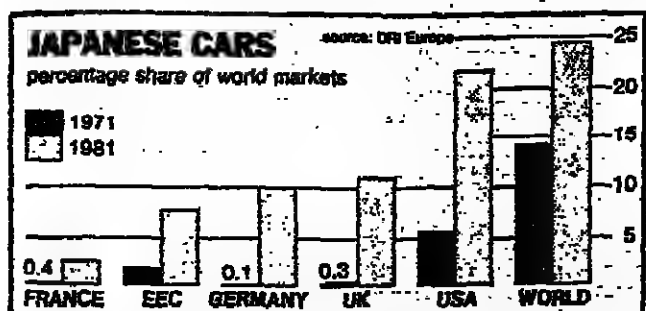
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Yours etc,
C. W. L. BEVAN,
L. A. MORITZ,
University College,
Cardiff.
March 20.

[illegible]

BUSINESS NEWS

Car exports cut



The Japanese are restricting car exports to the United States, the country's foreign ministry has announced. Although actual limits are not known, it is thought they will not be higher than the 1.68 million vehicles shipped to the United States last year. Japanese cars captured 9.15 per cent of the United Kingdom market in the first two months of this year compared with 11.47 per cent last year. New registrations in Britain were 4 per cent higher in February at 160,430 against the same month a year ago.

Move to untangle ACC bids

Barclays Merchant Bank, Heron Corporation's advisers in its contested bid for Associated Communications Corporation, plans to ask ACC's adviser, Standard Chartered Bank, which bid price it is backing from ACC's other bidders, Robert Holmes & Court, Mr Holmes & Court's TVW Enterprises has two bids on the table — one worth 110p a share, and another worth 95p. Heron has not yet decided whether to increase its bid — worth 90p per non-voting share — or withdraw.

Coal power 'breakthrough'

A world lead in the new generation of coal-fired merchant ships has been won by Doncaster-based Macawber Engineering Group, with a £500,000 order for coal fired systems for two bulk-carriers from Spain's Eclano shipping group. Macawber is supplying systems to all six of the new coal ships at present on order or under construction. The company expects further orders from many other countries including the United States, which it expects to back coal-fired ships strongly.

Tough budget for South Africa

Against the background of falling gold prices and world recession, Mr Owen Horwood, the South African Finance Minister, yesterday presented one of the toughest budgets for many years. It included big increases in taxes on companies, individuals and luxury goods and tight controls on government expenditure. London insurers paid \$123m for Rosses on the Aviation Insurance Offices Association said. Victor Company of Japan (VJC), ASG Telecommunications, West Germany and Thoma KMI have formed JET Holdings in Rotterdam to control the manufacture of video products in Europe.

MARKET SUMMARY

Lucas fall darkens top 30

LONDON EXCHANGE

FT Index 662.6 down 1.7
FT 100 69.13 down 0.42
FT all share 326.04 up 0.29
Bargains 19,893

Lucas Industries was an outstanding fall among the top 30 shares, slipping 11p to 197p amid talk that half year results today would bring gloomy news. After the apparent recovery in the second half of last year, the market was looking for at least £40m in the current year. But with continuing losses in the electronics division and a flat performance from aerospace activities, the interim figures are expected to be about £10m pre-tax suggesting £25m for the full year.

Elsewhere company statements brought an optimistic note to an otherwise dull equity market, with the FT Index closing down 1.7 at 662.6.

Profit takers clipped up to 2% off long dated gilts, with medium term around 2% and short ended unchanged after opening 2% better.

COMMODITIES

March cocoa tumbled £30 to £1,000 to tone and May ended at £28 down from £27.016, close to the lowest prices for nine months. Prices were depressed by unconfirmed reports that Nigeria, which is believed to have 150,000 tonnes of 1981/2 crop to sell, will be forced by falling oil prices to unload more cocoa.

TODAY

Industry and Trade Select Committee hearing on the Post Office. Energy Secretary, Mr. Geoffrey Howe, will be asked to answer questions on the government's borrowing requirement (fourth quarter); United Kingdom banking sector statistics (fourth quarter); money stock (fourth quarter). Board meetings: Interim: A and G Security Electronics, Fairview Estates, Howden Group, Lucas Industries, Saga Holidays, Strong and Fisher, Finlay: Automated Security, Barrio, Consolidated Industries, BBA Group, Benmore, BSA, Cambridge Electronics, Friedland Doggart, Leyland Paint and Wallpaper, Manders Holdings, Bernard Matthews, Metal Closures Group, Noble and Lund, Open Transport and Trading, Tricentral, United Newspapers.

OTHER EXCHANGES

Tokyo: Nikkei Dow Jones Index 7,194.31 up 96.51.
Hongkong: Hang Seng Index 1,223.38 up 2.2.

CURRENCIES

The French franc spent an unsettled day. The dollar, weaker at first on lower interest rates, recovered ground later. The pound traded quietly on the sidelines.

LONDON CLOSE

STERLING \$1.8085 up 60 points Index 91.4 up 0.2 DM 4.3100 Fr. 11.2500 Yen 439.00 DOLLAR Index 114.8 down 0.1 DM 2.3865 up 20 pts. GOLD \$332.00 up \$2.50

MONEY MARKETS

The undertone was slightly easier among period rates. The Bank's final forecast was a shortage of £700m. Base rates 13x 3 month interbank 13 1/2-13 3/4 3 month CURRENCY RATES 3 month DM 9 1/4-9 3 month Fr 29-28

Lift for franc fails to end EMS fears

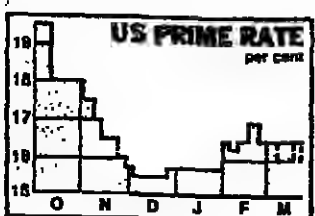
By Frances Williams

A further rise in French interest rates yesterday finally succeeded in lifting the franc off its permitted floor within the European Monetary System, helped by a weaker dollar. But there is no sign that foreign exchange markets have revised their opinion that an early EMS realignment is on the cards.

Hopes that lower interest rates in the United States may pave the way for further cuts elsewhere in Europe received encouragement from easier short-term American rates and news that a small American bank, Southwest Bank, of St Louis, had cut its prime lending rate from 16 1/2 to 16 per cent.

The Bank of France yesterday raised its call money rate from 17 to 18 per cent, the highest level since October last year. The move was widely expected after the bank's decision on Tuesday to increase the seven-day treasury discount rate from 18 to 20 per cent.

Euro-franc rates also rose yesterday, reflecting speculation against the currency. The effect was to lift the franc from its EMS floor of Fr 2.62 against the Deutsche mark, where it opened trading, to Fr 2.6166 at the Paris fixing. It also came off its floor against the Dutch guilder. But renewed pressure from the United States pushed the afternoon pushed



it back down to the floor twice more before the franc closed in London 1.6 per cent below its central parity against the Deutsche mark, well below the maximum permitted divergence of 2 1/2 per cent.

Despite the insistence of M Jacques Delors, the French Finance Minister, that the franc will not be devalued, traders remain unconvinced. Many observers feel that an EMS realignment could come within weeks, if not days.

The dollar was weaker for most of the day, after a lower Fed funds rate. The United States key money market rate on Tuesday and earlier Eurodollar rates, though it picked up towards the end of trading. After opening in Europe at around DM 2.3750, it ended the day 20 points up at DM 2.3865.

Nigerian curbs cause business confusion

By Rupert Morris

The Kuwait cabinet, at an emergency meeting yesterday, discussed the sheikhdom's oil strategy.

This coincided with reports that last week's meeting in Vienna of the Organisation of Petroleum Exporting Countries had clamped an 800,000 barrels a day ceiling on Kuwait's production. Kuwait had a target of 1.5 million barrels a day for this year. However, the glut on the international oil market forced it to cut its production to 1.1 million barrels — the lowest in the country's history.

A Kuwait Finance Ministry report earlier this week warned that Kuwait, which had a budget surplus of \$5,000m last year, will be facing an annual deficit of at least \$3.5m by the end of the decade even if it managed to maintain its oil production at one million barrels a day.

Nigeria's Central Bank ordered all commercial banks on Tuesday that no existing letters of credit — the means for financing most imports — were to be extended or renewed, and no forms required for the release of foreign exchange were to be registered.

The Central Bank wants banks to give details of foreign exchange commitments and import bills by next Tuesday.

The action has been prompted by Nigeria's inability to sell enough of its relatively expensive oil at a time of world glut. Oil is its main source of foreign currency.

Kuwait reviews oil strategy

British companies were in a state of confusion yesterday over the Nigerian government's decision to issue no further letters of credit for imports.

British Caledonian, which had just concluded an £18m deal to lease a Boeing 747 for the Nigerian route, yesterday it was stopping the carriage of cargo other than personal effects.

Reagan seeking broad powers over trade

From Bailey Morris, Washington, March 24

The Reagan Administration requested broad, new trade powers from the United States Congress today but stopped short of endorsing controversial protectionist legislation designed to limit the flow of imports into American markets.

Mr Brock told members who support "reciprocity" which will force United States trade policy to require bilateral, sectoral or product-specific trade agreements. Mr Brock said, declining to endorse legislation introduced by Senator John Danforth, chairman of the sub-committee.

Institute calms fears over new technology

By Clive Cookson, Technology Correspondent

The silicon chip is having little impact on employment, a report on microelectronics in British industry, says.

The study, which was carried out by the Policy Studies Institute and backed by the Government, Quashes fears of some unions that electronic automation is destroying large numbers of jobs and the belief of some information technology enthusiasts that the chip will create many new jobs.

The PSI team, led by Mr Jim Northcott, looked at 1,200 companies for the study, which was funded by the Department of Industry and three private foundations. The results, related to the whole of industry, showed a net gain of 16,000 jobs up to the time of the survey (early last year). Companies introducing microelectronics into their products added 23,000, but that was partially offset by a loss of 7,000 jobs in companies automating their manufacturing processes.

However, the 18 month

Stock Exchange raises charges by only 4.2pc

Fears over brokers' fees

By Kevin Page

The Stock Exchange Council decided yesterday to maintain minimum commissions on small sales of shares at £7. The original plan envisaged the minimum charge rising to £10.

Last week, the council bowed to pressure from the investing institutions and raised charges across the board to give stockbrokers' income a boost of only 4.2 per cent against the 7.3 per cent increase proposed earlier this year.

Unveiling the new scale of charges, the council said they could not be described as excessive since inflation had risen by 88 per cent since

COMMISSION RATES

Consolidation	Making	Old	New
2,000	9,000	30.00	33.00
500	2,500	37.50	41.25
1,500	4,000	60.00	66.00
1,000	5,000	75.00	82.50
2,000	7,000	105.00	115.50
2,000	9,000	115.00	126.50
1,000	10,000	120.00	128.00
5,000	15,000	145.00	159.50
10,000	25,000	195.00	209.50

the last adjustment of commissions in 1975.

However, the Stock Exchange warned it was un-

likely the increases would maintain brokers' income in real terms.

The new charges would also fail to arrest the decline on the number of member firms.

As the chart shows, commissions at the lower end of the scale will rise from 1.5 per cent to 1.65 per cent, up 10 per cent compared with the 16.7 per cent originally proposed.

Rises at higher level bars have also been cut. The minimum charge on gilt sales rises from £4 to £7. The council has gone some way to meet objections from institutional investors about the cost of switching in and out of Government stocks.

Oil men open N Sea tax fight

By Jonathan Davis, Energy Correspondent

The big North Sea oil companies are preparing to launch an all-out and unprecedentedly severe attack on the oil tax regime in the wake of the Budget. They will claim that the Chancellor's decision not to reduce the overall level of taxation has badly damaged Britain's chances of remaining self-sufficient in oil until the end of the century. They will also say that virtually every discovery now being made by the industry is uneconomic or only marginally commercial.

Shell UK, the single most active North Sea operator, paved the way for the new campaign yesterday when it announced a 58 per cent decline in profit last year from £373m to £158m. The company said it was having to reassess the economic viability of three or four accumulations of oil in the northern North Sea, each with recoverable reserves of 100 million to 150 million barrels.

Mr John Raisman, Shell's chairman and chief executive, attacked the Chancellor's decision to replace Special Petroleum Duty with a system of advance payments of Petroleum Revenue Tax, maintaining the overall North Sea tax take.

He said it was not in the long-term interests of the country. "It is unlikely to stimulate the extension of oil self-sufficiency into the next decade or indeed into the next century," he warned.

The tax regime, already attacked by the chairman of BP and Esso, is expected to be raised at the next meeting of the United Kingdom Offshore Operators' Association, representing all the major companies involved in the North Sea. They will demand an urgent meeting with the Chancellor and Mr



Raisman: attacked oil tax decision.

Nigel Lawson, Secretary of State for Energy. The companies will point out that profitability of existing fields has been cut by an average of 30 per cent from what it was before Special Petroleum Duty was introduced last year. There are also about 30 "marginal" discoveries containing enough oil to meet Britain's needs for up to a decade, that are now unlikely to be developed in the present

climate of falling oil prices and high taxes, the industry claims. No new commercial fields have been discovered since 1976.

The industry is also unhappy with some aspects of the changes to the structure of North Sea taxes made by the Chancellor earlier this month, and will accuse the Government of not doing anything to help the development of marginal fields.

Mr Philip Shelbourne, chairman of British National Oil Corporation, continues to head the public sector league table, while Mr Ian MacGregor, chairman of British Steel, has declined a salary of £53,000 which has been available to him since April, 1980.

Although comparisons are obvious, the public sector salaries compare unfavourably with rates of remuneration in the private sector. Public Boards 1982, Command 8525, HMSO £4.00.

Euroflame directors ousted

By Margaret Pagano

Three directors of Euroflame Holdings, the log stove company which is the subject of a Department of Trade inquiry were yesterday deprived by a board resolution of all executive authority and directed not to take part in any part of the business of the company or its subsidiaries after they had refused to resign from the board.

They are Mr John Viall, who claims still to be chairman and managing director, Mr Lowth Jones and Mrs Gabrielle Jones. All are believed to be seeking legal advice.

The board also resolved to call an extraordinary general meeting as soon as possible to consider the removal of these directors. The news comes after last Friday's announcement that Euroflame (UK) the main operating subsidiary of Euroflame Holdings, had put itself into voluntary liquidation.

The survey team, which was working under a committee chaired by Sir Charles Carter, made the ominous discovery that the number of companies starting work on microelectronic applications fell back in 1980, after increasing in each of the previous five years.

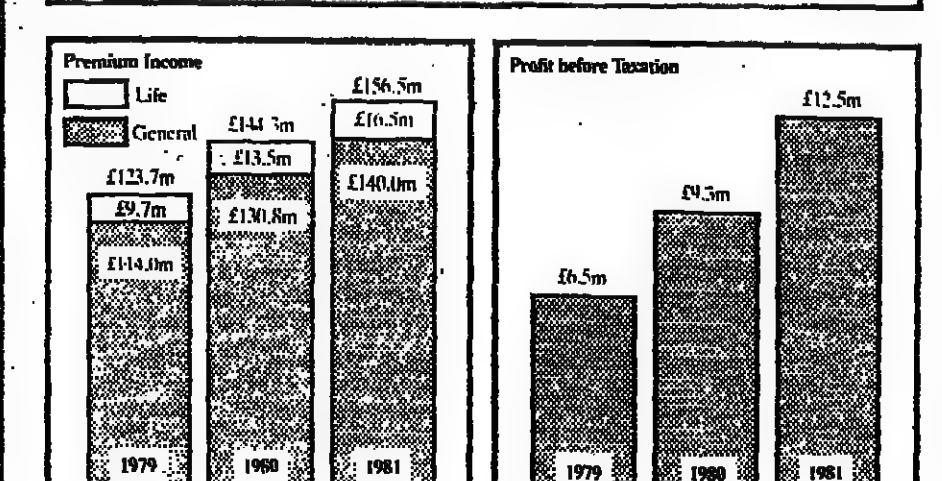
Another worrying discovery was that foreign-owned companies in Britain had a microelectronics application rate two-thirds higher than their British-owned counterparts.

The biggest practical problem mentioned by the companies was lack of specialist skills.

Microelectronics in Industry: What's Happening in Britain is published by PSI, 1-2 Castle Lane, London SW1.

Cornhill Insurance Group 1981 Results

	1981	1980
Premium Income	£600	£600
General business	139,994	130,795
Life business	16,483	13,508
	156,477	144,303
Profits		
General business		
Underwriting result	(5,656)	(5,572)
Investment income attributable to general insurance funds	13,123	10,842
General insurance profit	7,467	5,270
Life insurance profit	100	100
Investment income attributable to shareholders' capital and reserves	4,883	4,072
Other income	492	195
Share of associated company result	(396)	(333)
Profit before taxation	12,546	9,304



Copies of the Report & Accounts may be obtained from the Secretary at 32 Cornhill, London, EC3N 3LJ

Cornhill Insurance Group
A member of the Thomas Tilling Group

Squeeze at the tuckshop ... and a lesson in history

Pocket money cut adds to sweet problem

The intriguing statistic that youngsters' pocket money has been cut 16 per cent this past year has implications for a wide range of sectors, from toys to confectionery, Derick Harris writes. There were three illustrations from company results yesterday in the soft drinks and confectionery sectors.

Maynards manufactures confectionery, much of it sugar-based and selling in the lower price ranges where sales to youngsters are strong. Volume was up 2.5 per cent in United Kingdom sales but, particularly with sugar prices artificially high because of European Community structuring, profits suffered.

There could have been trading down in the pocket money market, said Mr David Martin, company secretary. The company's toy retailing sales were hit.

With Maynards expansion the turnover rose more than 20 per cent in the half year while profit pretax at £1.36m declined more than 10 per cent on the comparable period of 1980. The dividend was unchanged at 3.125p.

Sugar-based confectionery has shown sales declines of at least 2 per cent in the past year while chocolate varieties have risen marginally.

That lies behind the performance of Hales Owen-based Blue Bird Confectionery Holdings in the West Midlands but the problem of shrinking pocket money is also an element, according to Mr Edward Nassar, Blue Bird's chairman. Blue Bird's home sales in the half year were down 9.8 per cent although exports have leaped by a half.

In the half year to last July a marginal loss was turned to a pre-tax profit of £200,899 on a £4.8m turnover. The dividend was unchanged at 1.45p.

Manchester-based J N Nichols (Vimto), had final pre-tax profits of £2.56m, compared with £1.884m in the previous nine months, effectively a near 5 per cent increase. Final dividend was up 3p to 10p.

It could have been caught like many other soft drinks manufacturers with sales downturns put at 10 per cent overall.

But Nichols has strongly penetrated the supermarket multiples and widened its drinks range.

Statistics from: *Pocket Money Monitor*, Birds Eye Wall's 1982, based on Gallup research.

Vickers looks overseas

Confidence positively shines from Vickers' chief executive, David Plastow as he details the group's new strategy: "The world business area is a key around which we are planning" (Sally White writes). As with so many other major British groups, the latest figures give a hint of further cuts at home and expansion abroad.

Vickers is still a long way from realizing its top executives' hopes for the engineering, Rolls-Royce cars and office equipment group: that was the signal being read from the one for four rights issue to raise £23m that accompanied the 1981 profit figures.

Investors holding shares in Vickers are cautious, because of the vast amount of British industrial history it incorporates. Return on capital employed is around 11 or 12 per cent, against a target of 15 to 17 per cent in the short term. Achieving that means a lot of commercial evolution, for which, it seems, not enough cash is being generated by the Vickers business yet.

Yesterday's figures — the first full year under the new management team, transferred from Rolls-Royce after the 1980 merger — show sales up from £595m to £603m and pretax profit up by £5m to £24.6m when £8.9m interest



Plastow: His figures for Vickers hint at expansion

received in 1980 on nationalization compensation is excluded. The dividend is maintained at 12p after a 7.45p final, leaving the share price down 1p at 159 and the yield 10.8. The rights issue price is 133p. Vickers could have another major move up its sleeve — so Vickers followers deduce from two clues they see in yesterday's announcements. First, the maintenance of the dividend — which cynics say is effectively being funded by the rights issue. Secondly, the rights issue is less than expected. Ambitions for acquisitions are

voiced in the report. So, it is suggested Vickers could want to keep up the share price to make an acquisition for paper, and then come back for more cash. An engineering contractor could satisfy Vickers' desire to generate more of its profits overseas, and would, virtually, be a low cash consumer. (Interest payments, net are a horrific £18.3m in 1981.)

Vickers were bowed down by the weight of running out-of-date chunks of steel, shipbuilding and a disorganized office equipment side when it merged with Rolls-Royce in 1980. Rolls-Royce was desperately short of cash, but run by a highly regarded management team which included chief executive David Plastow and Tom Neville.

The new team's efforts to reduce staff and unprofitable businesses — 2,700 more were made redundant this year — are applauded. Mr Plastow has refocused simplified the operation of the business by organizing 40 operating subsidiaries into five divisions. He has produced incentive schemes to re-energise the lower tiers of management.

Rolls-Royce cars did best of Vickers' activities — the fall in the pound helped sales of the new Silver Spirit in the United States. Staff have been cut back by 350. So far this year overseas sales continue to do well.

The lithographic plates business is run by the Rowson-Algraphy Group, a Vickers subsidiary.

INTERNATIONAL



UNITED STATES

General Motors has told suppliers it is considering a change in the method of acquiring steel. While the company declined to elaborate, industry observers are speculating on a switch from order-type to bid-type purchasing.

The president of the United Auto Workers predicted that the union's General Motor Council will approve tentative contract concessions with the corporation today.

Four hundred unemployed Detroit car workers are to be retrained in aerospace jobs with the help of a \$300,000 (£166,600) Federal grant. After learning new skills, they will be taken on by the Rockwell corporation to build the long-range B-1 bomber.

JAPAN

As Japan's economy continues to falter, the Japan Economic Research Centre, a leading private research institute, has predicted that inflation-adjusted growth in both 1981 and 1982 will fall far short of government projections. Japan will send an official buying mission to France and Austria in May to buy more goods to try to rectify Japan's trade surplus with both countries.

WEST GERMANY

West Germany's import prices index rose 0.7 per cent last month to stand 4.6 per cent higher than a year earlier, the lowest year-on-year rise since February 1979. This followed year-on-year gains of 6.9 and 9.5 per cent respectively in January and December.

IVORY COAST

With the arrival in its coastal waters last week of the "Dan Duke" oil production rig, the Ivory Coast could become one of the world's net oil exporters. The rig will be used to bring into production the "Espoir" offshore field and is expected to produce 30,000 barrels a day.

CANADA

Canadian motor manufacturers have scheduled an output of 18,913 cars for assembly this week down from 22,345 last week and 20,328 in the same week last year. American Motors — Canada is to produce 600 cars which is down 610 last week and 781 a year ago.

BELGIUM

The business climate in the European Community deteriorated last month, ending a three-month trend of improvement, the European Commission reports. Its indicator of business confidence fell one point to minus 14.

BRAZIL

Brazil's per capita gross domestic product fell 5.8 per cent in 1981 over 1980, the first fall in 16 years, the central bank reported. Total gdp was down 3.5 per cent while the population grew 2.4 per cent in the year.

FRANCE

French industrial production fell 3 per cent on a provisionally adjusted seasonal basis in January after a 1.5 per cent rise in December.

AUSTRALIA

Australian production of uranium oxide last year was almost double the 1980 level because of output from the new Ranger Mine in Northern Territory.

ITALY

A spokesman for Fiat in Turin said there are no talks, and none have taken place at any level, on the possibility of Fiat taking a share in International Harvester.

Eagle Star

SUMMARY OF GROUP RESULTS FOR 1981

DIVIDENDS. The Directors are recommending to the shareholders at the Annual General Meeting to be held on 7th May 1982 a final dividend of 8p per share payable on 15th July 1982 to shareholders on the register as at the close of business on 17th June 1982. With the interim dividend of 7p per share which was paid on 15th January 1982 the total dividend for the year will be 15p per share (1980: 10.6p). The total cost of these dividends will be £20.6m.

RESULTS. Investment income in the shareholders' fund increased by 20 per cent to £88.3m. The pre-tax profits of Grovewood Securities were £15.8m which with £0.1m from associated companies brought the total income from investments to £104.2m (1980: £88.1m). Shareholders' long term profits were £14.3m (1980: £11.8m) after grossing up for income tax and corporation tax. General insurance underwriting made a loss of £42.7m (1980: £32.5m). General business premium income increased by 8 per cent. Overall pre-tax profits were £73.8m against £66.9m in 1980.



Sir Denis Mountain, B.L., Chairman.

	1981 £m	1980 £m
PREMIUM INCOME		
Fire, accident and motor	452.8	422.4
Marine, aviation and transport	24.7	20.1
Long term — annual premiums	184.5	148.6
— single premiums	120.0	72.1
	762.0	663.2
PROFIT AND LOSS ACCOUNT		
Investment income*	88.3	73.8
Profits of Grovewood Securities	15.8	14.4
Share of associated companies' results	0.1	(0.1)
Shareholders' long term profits	14.3	11.8
Underwriting loss	(42.7)	(32.5)
Expenses not charged to other accounts	(2.0)	(1.6)
Surplus	73.8	65.9
Taxation	31.9	26.8
Minority interests	3.4	3.2
Net surplus for year available for appropriation	38.5	37.1
Staff profit sharing scheme	2.5	1.4
Less taxation	1.3	0.7
	39.7	37.8
Transfer to catastrophe reserve	2.0	2.0
Dividends	20.6	14.3
Balance added to retained profits and reserves	14.7	20.1

*After deducting £2.2m in respect of interest on loan notes (1980: £2.1m).

**After transfer from catastrophe reserve.

GENERAL COMMENTS. Throughout the world insurance underwriting has further deteriorated. Excess capacity and the effect of the recession on the availability of business have continued to increase competitive pressures.

INVESTMENTS. Investment income increased by 20 per cent. This most satisfactory result was helped by high interest rates and a positive cash flow. The free reserves of the group, including capital appreciation on investments other than those of the long-term insurance funds, amounted to 87 per cent of general insurance business premium income.

GENERAL INSURANCE. Our overall result is analysed by territory in the following table which includes an estimate of that part of investment income which arises on insurance funds:—

	Premium income £m	Underwriting result £m	Investment income less expenses £m	1981 Total £m	1980 Total £m
United Kingdom and the Republic of Ireland*	564.5	(26.6)	55.2	28.5	21.5**
Australia	21.0	(7.6)	2.0	(5.6)	(1.7)
Belgium	25.8	(2.9)	3.6	0.7	1.0
South Africa	46.7	(2.4)	3.1	0.7	2.9
USA	8.4	(0.6)	0.8	0.2	0.4
Other territories	9.9	(1.4)	1.5	0.1	(0.4)
Additional provision for unexpired risks (overseas business)		(1.2)		(1.2)	(0.8)
	477.3	(42.7)	66.2	23.5	22.5
Attributable to shareholders' funds			36.0	36.0	31.6
		(42.7)	102.2	59.5	54.1

*Including reinsurance and world-wide marine and aviation.

**After transfer from catastrophe reserve.

UNITED KINGDOM. There was fierce competition in all classes of business for the reducing volume of premium. There was an underwriting loss of £23.2m (1980: £25.0m) but after taking investment income on the funds into account there was a profit of £18.9m (1980: £13.0m). Both fire and "all-in" accounts suffered from the severe weather in December. There was an underwriting loss in the fire account of £2.1m (1980: £0.7m) and in the "all-in" account of £5.9m (1980: £4.2m). The motor account showed an underwriting loss of £6.5m (1980: £5.9m). In the liability account there has been an increase in late reported claims from earlier years arising from industrial diseases. There was an underwriting loss of £9.6m (1980: £13.1m).

OVERSEAS. There was an overall underwriting loss of £16.1m (1980: £7.2m) and a loss after attributable investment income of £5.1m (1980: profit £1.0m). The major part of the underwriting loss arose in Australia where the situation was exacerbated by the non-recurring effects of a recent court decision and the need to strengthen provisions for claims from earlier years. In South Africa after many profitable years there was an underwriting loss. In Belgium and the USA results were satisfactory.

MARINE AND AVIATION. Current underwriting is likely to prove unprofitable. The 1978 underwriting account was closed showing a small surplus and this together with provisions from earlier years no longer required enabled us to strengthen the open underwriting years and also to make a transfer of £1.0m to profit and loss account. The fund at the end of the year amounted to 143 per cent of premiums.

LIFE. World-wide new business produced new annual premiums of £39.7m (1980: £38.8m) and single premiums and considerations for annuities amounted to £120.0m (1980: £72.1m). The annual valuation of the UK life funds has again resulted in increased benefits to policyholders. Profits transferred to the shareholders' account were £8.1m (1980: £6.9m) net of tax, with a grossed-up value of £14.4m (1980: £11.7m) and after transfers in respect of non-UK subsidiaries the total amount was £14.3m.

GROVEWOOD SECURITIES LIMITED. In a continuing difficult economic climate Grovewood Securities produced a record profit for the fourteenth consecutive year, pre-tax profit rising to £15.8m (1980: £14.4m).

Copies of the Report and Accounts for 1981 and the Chairman's Statement will be sent to shareholders on 8th April 1982.

Eagle Star Holdings PLC

1, Threadneedle Street, London EC2R 8BE

	1979	1980	1981	1979	1980	1981
Engineering equipment	2m	17.3	11.5	1976	6.8	8.1
Lithographic plates	10.5	8.7	18.2	1977	8.1	10.2
Engineering products	8.9	9.0	7.1	1978	10.2	10.3
Overseas engineering	(0.1)	3.4	5.2	1979	10.3	9.0
				1980	9.0	7.1

Lithographic plates and supplies is seen as a growth business, but it is only just starting to pick up again.

BICC 1981 Results and Final Dividend

PROFIT BEFORE TAXATION increased from £74.6 million to £101.9 million.

CURRENT COST PROFIT BEFORE TAXATION up from £55.1 million to £81.3 million.

CONTINUED STRONG PERFORMANCE in overseas cable-making but lower profits in UK.

EARNINGS PER SHARE up 9% at 25.2p on historic cost basis

DIVIDENDS increased by 10% to 10.37p per share.

CAPITAL EXPENDITURE on plant and equipment up 25%.

ACQUISITIONS costing £73 million, principally in the electronic components sector.

RIGHTS ISSUE and other share issues during 1981 raised £72 million net of expenses.

FINANCIAL POSITION remains strong with gross debt at 40% of shareholders' funds.

OUTLOOK — continuing sound progress expected.

Group results for the year ended 31 December

	1981 £m	1980 £m
HISTORIC COST BASIS		
Sales	1604.3	1364.8
Operating profit	109.6	86.6
Finance charges	7.7	12.0
Profit before taxation	101.9	74.6
Taxation	41.9	28.6
Profit after taxation	60.0	46.0
Minority interests	18.0	9.8
Attributable profit	42.0	36.2
CURRENT COST BASIS		
Profit before taxation	81.3	55.1
Attributable profit	25.8	21.1
EARNINGS PER SHARE	p	p
Historic cost basis	25.2	23.1
Current cost basis	15.5	13.4
DIVIDENDS PER SHARE	10.37	9.43

The above historic cost results exclude (a) extraordinary losses of £6.7m (1980: £3.5m) and (b) a special tax credit in 1980 of £10.6m.

The final ordinary dividend of 7.04p per share (1980: 6.40p per share) will, if approved, be paid to ordinary shareholders registered in the books of the Company on 21 May 1982. Warrants will be posted on 29 June 1982, payable 1 July 1982.

The complete press release is available from The Secretary, BICC plc, P.O. Box No. 5, 21 Bloomsbury Street, London WC1B 3QN.

The 1981 annual report will be posted to share and loan stock holders on 24 April 1982.

The annual general meeting will be held in the Matthew Room, Centre Point, 103 New Oxford Street, London WC1A 1DU, on 20 May 1982 at 12 noon.

BICC Cable-makers
Civil, electrical and mechanical engineering and construction
Electrical and electronic components

حسبنا من الاجل

BUSINESS NEWS/FOCUS AND COMMENT

This would have been worse than the Wall Street crash...

Swift action as fear mounts in the City

● In the second of two articles on the secondary banking crisis of the mid-1970s Margaret Reid describes how the massive rescue operation was put together and assesses the cost.

The Cedar Holdings crisis, which led the Bank of England and City institutions to put together a £2m rescue package in an attempt to stop panic, had not come as an unexpected shock to City of London insiders. They knew that, in the previous three weeks of disturbed conditions, many hard-pressed secondary banking companies had lost short-term funds through depositors switching cash to the safe haven of the large banks in what Mr Richardson, the Bank of England's governor, later called "a fit of collective prudence". These other banking businesses, often also in acute anxiety about how they would present their accounts for the end of the year, had urgently made known their troubles to their clearing banks, which had provided some first-aid through stand-by borrowing facilities. Many had hastened to the Bank of England, whose Discount Office was operating a system of early warning of impending trouble, under which information was swapped among the big banks more readily than in normal conditions.

As a result of these worrying developments, the Governor had already been discreetly in touch with the chairman of the large High Street clearing banks and had even held a secret meeting with them the previous afternoon while the Cedar marathon was under way elsewhere in the City. This gathering, the possibility of a joint rescue operation, involving up to £1,000m of support loans for the secondary banking sector, should the atmosphere of crisis not abate, had been mentioned. The fact that news of Cedar's rescue, so far from calming the atmosphere, provoked mounting fear in the City about the situation of many other secondary banks opened the way for a crucial decision. Up to this stage, the Bank of England had retained some hope that the gathering crisis could be tackled piecemeal, by wrestling with the problems of individual banking companies. But now, in the view of those at the head of the Bank of England, events pointed unmistakably to the need for a more generalized attack on the emergency.

Action was swift. The chairman of the Big Four clearing banks were called secretly to a meeting with the governor on the afternoon of Friday, December 21.

Fringe banks were not the only worry for the clearing bank chairmen who attended this crucial session. The world was in a turmoil at the end of 1973. A State of Emergency was in force in Britain because of an impending industrial confrontation with the miners, threatening a fuel shortage in addition to the emerging prospect of steep rises in the world oil prices. The clearers, already heavily lent since 1971-3 boom, and with new "corset" curbs just imposed on them in the mini budget were concerned how they were to meet all calls upon them.

They were worried lest the panic which was affecting the secondary banking community should reach even the big clearers and the long-established merchant banks. Could these leading banks themselves be caught up in the avalanche which was sweeping among the big banks more readily than in normal conditions? This would have been worse than the Wall Street crash of 1929, which British banking had survived so well, one senior clearer afterwards reflected. All these considerations inclined the clearers' chiefs to give a responsive hearing to the central bank's plans.

At the crucial summit meeting presided over by Mr Richardson, the Bank's governor, on Friday December 21, business was completed with much more despatch than in the crowded mid-week marathon about Cedar, though the decision arrived at was vastly more far-reaching. The secret gathering lasted just 90 minutes. The chairman, present with Mr Richardson and Sir Jasper Holborn, the deputy governor, were Sir (then Mr) Eric Faulkner, chairman of the Committee of London Clearing Bankers (CLCB) and of Lloyd's Bank, Sir Archibald Forbes, the Scottish industrialist and chartered accountant who chaired the Midland Bank, Sir (then Mr) John Prideaux, the National Westminster Bank chairman, and Sir (then Mr) Anthony Tuck, who had become chairman of Barclays Bank in succession to Sir John Thomson less than two

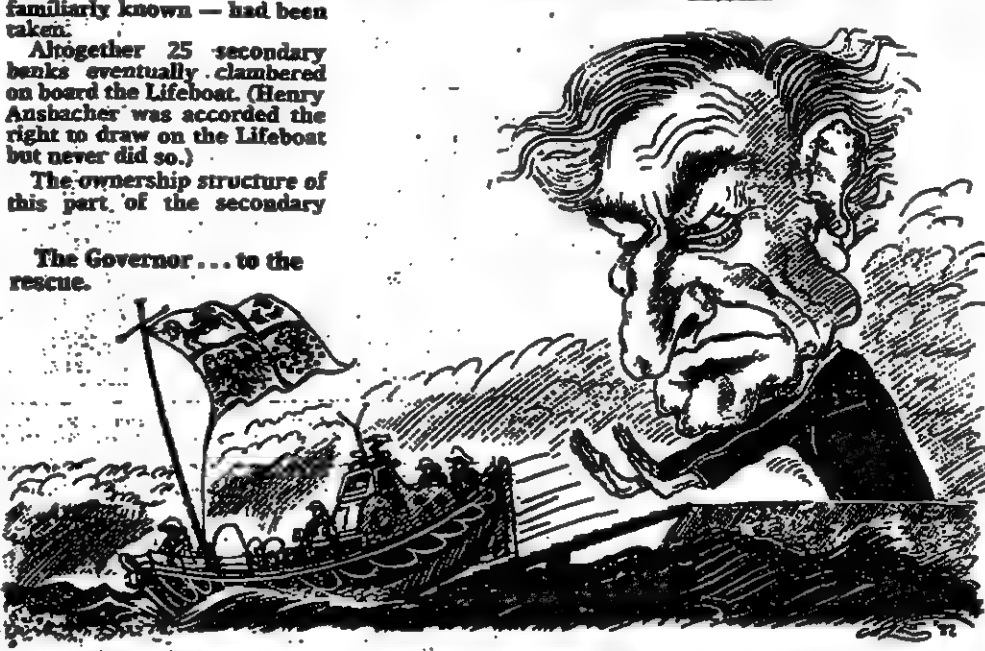
banking industry changed after the onset of the crisis. Of the 25, eight collapsed and another, Sterling Industrial Securities, was radically scaled down under the Crown Agents' supervision and later sold. Of the rest, no fewer than eleven had by the early months of 1981 passed, in whole or substantial part, under the control of larger groups, a process which generated much repayment of Lifeboat loans by the new owners. Several, including some later taken over, had recovered under their own power and dispensed with Lifeboat backing, which in one or two cases had been brief and indirect. But by late 1980, only a handful of the 25 remained as independent entities in the banking business. Lifeboat lending had been cut to some £500m by the end of 1979 when only United Dominions Trust, First National Finance Corporation and Knowlesy were borrowers; this figure had been further reduced a year later, mainly through large repayments by UDT.

After the big clearing banks had decided in August 1974 that they could not agree to the joint Lifeboat operations, lending being extended beyond about £1,200m, the Bank of England itself shouldered major responsibilities in dealing with later troubles. In particular, it committed large amounts to the support of the financial groups Slater Walker Securities and Edward Bates. Sir Jasper Holborn, Deputy Governor of the Bank of England, told a House of Commons select

committee in 1978: "The heavier losses are outside the Lifeboat."

The Bank of England put aside a remarkable total of about £100m for the possible cost to itself of the whole rescue strategy, while the clearing banks may still face a bill of up to perhaps £50m, also already provided for in their accounts, for their own participation in the Lifeboat operation. These possible losses — as distinct from the much larger support lending, which was mostly ultimately repaid — show the magnitude of the burden the support operations may involve for those who conducted them.

The total provision of finance — as distinct from possible losses — involved in controlling the banking and related property crisis was very large indeed. In addition to some £1300m advanced through the Lifeboat, large loan resources were used by the Bank of England and by various investing institutions and banks to sustain further millions of pounds more were supplied by the large banks to keep property groups afloat through this time of trial and to enable them to complete developments originally begun in the boom years. Much had later to be written against interest and repayment not received; the big banks' provisions against their property lending in this period certainly exceeded £100m. The total finance exceptionally provided must have run into billions of pounds; some estimates suggest it was £3000m.



THE LIFEBOAT — WHO GOT ON BOARD

Secondary banks helped with loans through the joint operation run by the Bank of England and clearing banks

Company	Total assets (£m)	Experience in crisis
(Banking status, and whether shares quoted on the Stock Exchange, in each case at end of 1973)	(Last balance sheet up to end of 1973, unless otherwise stated)	(Including maximum amount of support loans, if known, and sequel)
Audley Holdings section 123 co. (subsid. of Cornhill Estates, afterwards in liquidation; ultimate holding co. Kayrol, afterwards in receivership). Not quoted	2	Provided with support loans. Receiver appointed May 1975.
Beverly Bentinck (finance house). Not quoted. (Now British Credit Trust, owned by Bank of Ireland. Until May 1978, subsid. of Northern Foods). Shares of successive parents quoted.	36	Had some loans, backed by support group; later repaid. Taken over in May 1978 by Bank of Ireland from Northern Foods for £11m
Bowmaker Limited bank (finance house) and section 123 co. (Subsid. of G. T. Bowring, whose shares were quoted; Bowring Group, including Bowmaker, taken over in 1980 by Marsh and McLennan of the US)	243	Received support loans within £25m maximum. Left Lifeboat in autumn of 1975, when remaining support loans were repaid and co. received a new medium-term loan from major banks and the Bank of England
British Bank of Commerce section 123 co., whose shares were quoted. (Now Grindlays Bank (Scotland), owned by Grindlays Bank)	59	Received support loans of £13.9m at the peak. Taken over in September 1974 for £3.3m by National and Grindlays Bank (now Grindlays Bank)
Burston Group Burston Finance subsid., a section 123 co. Group's shares were quoted	100	Burston Finance provided with support loans. Receiver appointed to it in Feb. 1975. 65 per cent interest in Burston & Texas Commerce Bank taken over in 1975 by Texas Commerce Bank of the US, which already held 35 per cent. Parent co. afterwards in liquidation.
Cannon Street Investments (Cannon Street Acceptances subsid., a section 123 co.). Parent co.'s shares were quoted. Quotation still suspended end of 1980.	122	Cannon Street Acceptances received support loans up to £20m; receiver appointed to it in Sept. 1974. CSI reconstructed as subsid. of National Westminster Bank.
Cedar Holdings section 123 co. Was quoted	128	Loans of up to £22m made available by Barclays Bank and financed through Lifeboat. These loans part of package by which institutions also put up £50m. Capital reconstruction 1975. Loans repaid within following few years. Taken over by Lloyds and Scottish in 1979 for £9.6m.
David Samuel Trust section 123 co. Not quoted	38	Provided with support loans. Receiver appointed May 1975. Went into liquidation Nov. 1976.

Company	Total assets (£m)	Experience in crisis
Duboff Brothers section 123 co. (Consolidated Finance Holding ult. ult. co.). Not quoted	9.5	Loan facility, initially of £2.5m, and ultimately of £6.7m, provided by National Westminster Bank, for a time under wing of Support group. Co. sustained losses leading to £2.86m deficiency by end of 1973. Settlement in 1979 under which £2.2m repaid and Natwest claim to over £4.5m assigned, against £50,000 payment leaving co. with positive shareholders' funds
Edward Bates and Sons (Holdings) Edward Bates and Sons subsid., a section 123 co. (Listed bank from Dec. 1973). Holding co. was quoted.	74	Received some support loans in summer of 1974. Lifeboat buying out part of shipping loan portfolio. Sizeable Arab shareholding, and Middle East deposits, from May 1976. Later, reconstruction under which part of business recapitalised, emerged as Allied Arab Bank, with predominantly Arab shareholder and Barclays Bank international stake. Bank of England took over repairing assets of Bates bank for realisation through EBS Investments, now a Bank of England subsidiary. Holding co. in liquidation.
First Maryland section 123 co. (Ultimate holding co. owned by Mr W. G. Stern and his family trusts). Not quoted.	18	Provided with support loans. Receiver appointed in Jan. 1975.
First National Finance Corporation Limited bank (afterward section 123 co.). Quoted.	548	Received support loans totalling £350m at peak. Capital reconstruction end of 1975, under which support loans divided into direct, deferred and income loans, with defined terms. Support loans reduced to £225m at 31 Oct. 1980. Net deficiency of £78m (30 Apr. 1977) more than repaid to £20m (31 Oct. 1980). Extensive programme of realisation of property and certain other assets undertaken.
Guardian Properties (Holdings) Was quoted.	48	Provided with support loans. Receiver appointed June 1974.
Keyser Ullmann Holdings (Keyser Ullmann subsid., a listed bank). Holding co.'s shares were quoted	433 (31 Mar. 1974)	Received support loans, of £65m at peak. Loans repaid by 1976. Stand-by facilities from clearing banks provided for a time thereafter; dispensed with from Jan. 1977. Taken over for some £43m in 1980 by Charterhouse Group, into whose Charterhouse Japhet bank KU banking company being absorbed.
London and County Securities Group Banking subsidiary a section 123 co. was quoted.	129	Received support from a special consortium and afterwards received Lifeboat support loans. Joint co. planned by Bank of England and FNG in Feb. 1974 to run the banking co. Announced in Mar. 1975 that banking company to be placed in liquidation; its total deficiency estimated at over £50m. Group was the subject of a Dept. of Trade investigation report published Jan. 1976. Holding co. in liquidation.
Medena Trust section 123 co. Not quoted	11 (30 June 1974)	Clearing bank borrowing facilities fixed up in late-1973 were continued with backing of support group. Borrowing facility provided by institutional shareholders used briefly and further available bank funds further never required. Co. taken over by merchant bank group Brown Shipley Holdings in 1981 for £3.8m

Company	Total assets (£m)	Experience in crisis
Mercantile Credit Subsid., a section 123 co. Was quoted	377	Received support loans of £167m at peak. Loans repaid when Co. taken over by Barclays Bank for £22m in 1975
Morris Wigram section 123 co. (Interwards Schlesinger). Not quoted	30	Received support loans of about £10m. Taken over for a nominal price in 1974 by Schlesinger Organisation, which repaid the loans. Schlesinger bank bought in 1980 by Stavensburg's Bank, of Holland
Northern Commercial Trust section 123 co. Not quoted. (Authority Investments, quoted, held 27%)	90	NCT (apart from London loan business) taken over in 1975 by Algemeine Bank Nederland, of Holland. Support loans of some £32m, previously provided to NCT, transferred to Knowlesy, by which London business of NCT taken over. Support loans on reduced scale still outstanding at end of 1980 to Knowlesy
Knowlesy section 123 co. (Privately owned by Authority Investments)		
Sterling Industrial Securities section 123 co. Not quoted	33	Received Lifeboat loans and larger support loans from Crown Agents, a substantial shareholder. Co. became the subject of a controlled running down of its business under the aegis of the Agents. Later sold
Triumph Investment Trust G. T. Whyte banking subsid., a listed bank Group shares were quoted	208	Provided with support loans (from Lifeboat) of up to some £30m and some £5m, in addition to an existing deposit of £5m, from Crown Agents. Receiver appointed Nov. 1974. Now in liquidation.
Twentieth Century Banking section 123 co. Not quoted. (Owned in 1972 by Bovis, now subsid. of P&O). Both successive ultimate parents quoted	62	Received support loans. Acquired as part of Bovis group, by P&O in Mar. 1974.
United Dominions Trust Limited bank (Old Broad Street Securities subsid., a section 123 co.). Quoted	896	Received support loans of some £250m at peak. Prudential Assurance and Eagle Star Insurance put up bulk of £30m against convertible stock in 1974. Property lending cut right back and a range of overseas interests disposed of from 1974. In 1980, agreement for instalment credit business to be bought by Trustee Savings Banks. Remaining support loans almost fully repaid in 1980. Full take-over bid of £110m by TSBs successful in early 1981
J. H. Vavasseur Vavasseur Trust subsid., a section 123 co. (Group now part of Mills and Allen international) Quoted	52	Received support loans. Two capital reconstructions. Remaining support loans repaid, with the help of a clearing bank loan, in 1979. Co. effectively absorbed into Mills and Allen international in 1978
Wagon Finance Corporation Limited bank (finance house). Quoted	43	Received support loans, of some £8m at peak; these were repaid in 1976. Co. then accorded loan facilities, including some medium-term, from a number of banks and accepting houses

Business Editor

Non-executive directors

One is tempted to say the sooner the ACC situation is resolved and forgotten the better. Certainly, that must be true from the point of view of the company's business and its employees.

If Mr Gerald Ronson decides that enough is enough and it is time to pull out, then the struggle may indeed be quickly resolved. He may, of course, opt to stay in the battle, in which case the saga could run on a while longer.

It would be wrong though to wish the whole episode quickly forgotten. The ACC saga ought to provide a case history on boardroom behaviour. The Department of Trade may or may not see fit to ensure that such a history is written. But if it does not, then it would be a public service were one of the former non-executive directors to have the courage to pick up a U.S. dollar, 4,500 million loan from the Fund.

But clearly pressure is building up for tough action to be taken to iron out the imports and payments crisis now dogging Nigeria's aspirations and devaluation of the Naira by perhaps as much as 12.5 per cent is not ruled out. Resolution of Nigeria's economic difficulties of paramount importance to the national trading community but to President Shagari's hopes for a second term in next year's election contest.

about £33m a month and oil production has fallen from about 1.8 million barrels daily at the beginning of this year to about 1.2 million barrels this month.

President Shagari tried to tackle the incipient problems in his Budget Statement last November by imposing import controls and delaying priority projects in the public sector.

Officials at the International Monetary Fund denied speculation that Nigeria might be seeking a U.S. dollar, 4,500 million loan from the Fund.

But clearly pressure is building up for tough action to be taken to iron out the imports and payments crisis now dogging Nigeria's aspirations and devaluation of the Naira by perhaps as much as 12.5 per cent is not ruled out. Resolution of Nigeria's economic difficulties of paramount importance to the national trading community but to President Shagari's hopes for a second term in next year's election contest.

Prudential Problem areas

The dire conditions in the general insurance industry were firmly underlined by yesterday's results from both the Prudential and Eagle Star — in the Pru's case with a dash of red ink. From 1975, when the year's £2.5m profit — resulting, by the Pru's own admission, in a decidedly poor set of results. Group profits were only marginally ahead from £42.5m to £43.2m, although the dividend still goes up by nearly 14 per cent.

Once again the life business has powered ahead, premiums were 16 per cent higher at £1,187m, investment income grew strongly and life profits were some two-fifths higher at £41.5m. But on non-life the Pru came badly untricked.

Overcapacity, the recession, and inadequate premium rates contributed to the problem. So did calamitous winter weather, though, despite this, the domestic property account still underwriting loss. But the real bugbear has been the specialist reinsurance subsidiary, Mercantile & General, which accounted for more than two-fifths of the increase in underwriting losses from £34m to £53m.

This year the Pru may find that premium income growth on the life side slows and lower interest rates are likely to affect investment income. But there are grounds for some modest optimism on the non-life accounts on the back of some hardening of rates in Canada and improvement in the United Kingdom domestic account.

Nigeria Under siege

The announcement that Nigeria has suspended virtually all imports comes as no surprise. But the repercussions on supplies to Africa's most populous nation will cause more than a few headaches, particularly to Britain. Britain remains the biggest exporter to Nigeria, with shipments in recent years running at more than £1000m — accounting for about one fifth of Nigeria's non-oil imports.

As one of the largest oil producers and exporters, Nigeria has fallen victim to the international glut of oil and the consequential fall in prices. For many other Opec members the glut and drop in prices can be tolerated, at least for a while, without unduly interfering with ambitious economic development plans. But the impact on Nigeria's industrial development programme and aspirations of the civilian Government of President Sheu Shagari has been little short of disastrous, as he predicted as they were on a high oil price continuing. The country's trade deficit has been running at

SIRDAR Interim Report

Mrs. J. M. Tyrrell reports:

- * Half-year profits substantially increased.
- * Second-half year expected to be equally good.
- * Hand knitting market slightly more buoyant, but no very marked improvement yet.
- * Interim Dividend (net) of 1.6p per share (1981: 1.35p).

Summary of half-year results (Unaudited)

	28 weeks ended 30th June 1982	28 weeks ended 30th June 1981	Year ended 30th June 1981
Turnover	15,451	14,366	27,650
Trading Profit	2,801	2,350	5,202
Interest and other income	127	(55)	112
Profit before Taxation	2,928	2,295	5,314
Taxation (UK tax 52%)	(1,084)	(965)	(1,852)
Profit for the period	1,844	1,330	3,462
Earnings per share pre-tax	12.2p	9.61p	22.2p
Earnings per share after-tax	7.7p	5.5p	14.4p
Dividends per share	1.6p	1.35p	3.5p

Note: Earnings and Dividend figures have been restated to reflect the 1-for-1 Scrip Issue in October 1981.

Sirdar PLC

Flanshaw Lane, Alverthorpe, Wakefield WF2 9ND.



Stratford-upon-Avon 425

ACCOUNT DAYS: Dealings Began, March 15. Dealings End, March 26. § Contango Day, March 29. Settlement Day, April 5.
§ Forward bargains are permitted on two previous days

RECENT ISSUES		Closing Price
Amerham International 25p Ord (142)		196.2
Bullfinch Gift Japan Trust 25p Ord (200)		186.0
Computer and Systems Supp 25p Ord (225)		238.14
Cusumis Property Group 25p Ord (52)		91
Eschequer 12 1/4% A 1987 (1)		24
First Holdings 25p Ord		76.1
Good Relations Group 10p Ord (61a)		105.2
Hardanger Properties 10p Ord (106a)		162.6
Lee Valley Water 25p Ord R 2162b (7b)		106.0
Newmarket 1987 12 1/4% A 1987 (15.25)		226.63
Oreconics 25p Ord (100a)		170.45
Osprey Assets 25p Ord		30
Owners Abstract 10p Ord (11a)		254.11
Peak Holdings 7p Ord		13
Speybank 10p Ord (115)		14
Television South West 3p Ord		140
Treasury 3 1/2% 1987		167.14
Treasury 2 1/2% Index Linked 1988 (1)		250
Treasury 2 1/2% Index Linked 2001 (1)		299
	Latest date of issue	
NIGHTS ISSUES		
First Castle Electronic (2005) May 5		20 prem
St Georges Group (742) May 6		37 prem-1
<p>Issue price in parentheses. * Ex dividend. † Issued by lender. ‡ 100 shares, a limited security. § Issued by lender. 100 shares, 1 fully paid, 1 £50 paid, 1 £50 paid, 1 £55 paid. † Issued in units of sixteen shares and 25 nominal loan stock at 25p per unit.</p>		

BUSINESS NEWS

Best for Bestobell
profits rise 10pc

By Gareth David

Bestobell, the controls, and energy engineering group, raised pretax profits by 9.6 per cent to £4.7m in the year to December on a turnover of £22.35m.

This was better than market expectations and boosted the shares 16p to 366p, but they are still well below their 1981/2 high of 490p.

Final dividend is raised from 10.14p gross to 10.8p making a total of 18.46p to the year, a rise of 6.1 per cent on the previous year.

It was the most difficult trading year for some time with the main feature being the restructuring of the Marshall group's chairman said.

"After allowing for the loss of revenue from the consumer products division,

but including a full year's trading by Avica, the United Kingdom trading profit declined from £5.31m to £4.69m. On the other hand there was a substantial increase in trading profit from the overseas groups in Australia and Africa," Mr Marshall said.

Operating profits of the control and instrumentation division rose from £2.39m to £2.5m in the aviation and test division, from £3.26m to £3.58m. The energy engineering division, however, plunged from profits of £665,000 to a £385,000 loss, although the order book was now slightly better.

At 366p the shares yield 4.9 per cent and stand on a fully taxed price earnings multiple of about 13.

Plant closure costs
Rockware £10.7m

By Michael Prest

Rockware Group, the glass and plastic container manufacturers, more than doubled pretax profits last year to £899,000. The final dividend was maintained at 3p gross. No interim was paid.

But below the line Rockware has included an extraordinary cost of £10.7m for closing its St Helens plant which cost 800 jobs. The extraordinary item turned a pretax profit into a net loss of £10.1m.

Nevertheless, the pretax result shows an improvement on the first half, during which Rockware lost £1.35m. Interest charges fell from £5.3m in 1980 to £4.66m last year. Mr John Craigie, chairman and chief executive, said that interest charges were reduced by lower interest rates, and by tighter handling of cash. Borrowings at the end of the year were less than the £22.1m recorded in the last accounts.

But Mr Craigie also said that the mainstream glass container business was depressed despite extensive destocking which could lead to a recovery in demand if interest rates fell. Plastics were a little better, but the manufacturers of the raw



John Craigie: lighter cash

material were under pressure to raise prices.

Rockware's turnover consequently declined by £8m to £16.6m, producing an operating profit of £6.44m compared with £8.62m. Mr Craigie hopes that a good summer will increase demand for drinks containers. Rockware should also gain to the tune of about £500,000 from the freeze on gas prices for major industrial users proposed in the last Budget.

The board said: "We believe that the further actions we have taken will bring us forward into better times for 1982 as a whole."

Second half recovery
boosts DRG shares

By Drew Johnston

DRG, the paper, stationery and packaging group, yesterday announced better than expected pretax profits of £15.5m for the year to December 1981. Profits were £18m last year, but the City had been expecting the figure to fall to around £14m, the share price rose 12p to 85p.

Turnover was down slightly at £567.4m against £568.2m but sales to customers rose from £520.3m to £534.9m. The pretax profit figures indicated a second half recovery after first half profits of £4.7m against £10.8m in 1980.

Mr John Camm, chairman, said overseas profits were maintained in the second half and the whole of the recovery came from the United Kingdom.

He said the United Kingdom workforce had been cut by 3,000 during the year without a reduction in productivity capacity.

Unprofitable activities

such as lightweight corrugated board-making in Glasgow, plastic cup production in Liverpool and the Bristol calendar and diary business had all been phased out over the year.

Since the year end closures have also been announced at the Merton board mill in south London, and the rigid box factory at Mangotsfield, Bristol. These would bring the total numbers employed by the group down to around 13,500, Mr Camm said.

Production rationalization also contributed to the second half recovery. Mr Camm said DRG had reduced its stationery lines from 4,000 to 1,000, over the year.

In envelopes, the number of products had been cut from 400 to 200 without significantly altering customer choice, he said.

Uncertainty continued into 1982 and it would not be the consumer but holding down cost increases which would help profitability in the current year, he said.

Dividends have been held at last year's level of 4.28p gross per ordinary share. This makes a total pay-out of 8.57p gross, the same as last year. On today's share price, this gives a yield of 10 per cent.

ZIMBABWE

Zimbabwe's mineral marketing corporation, which will transfer the mining industry's marketing function from foreign-owned multinationals to state control, is expected to be fully operational within a month.

China is seeking \$900m (£500m) worth of foreign investment for 130 projects mostly to expand or modernize factories.

* 7 day deposits on sums of under £10,000 10%
£10,000 up to £50,000 11%
£50,000 and over 12%

Base
Lending
Rates

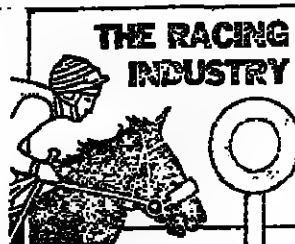
ABN Bank	13%
Barclays	13%
BCCI	13%
Consolidated Crds	13.4%
C. Hoare & Co	13.4%
Lloyds Bank	13%
Midland Bank	13%
Nat Westminster	13%
TSB	13%
Williams & Glyn's	13%

M. J. H. Nightingale & Co. Limited
27/28 Lovat Lane Overcounter EC3R 9EB Telephone 01-621 1212

The Over-the-Counter Market

High	Low	Company	Price	Chg	Gross Dividend	Yld %	Actual	Pk	July
129	109	Avis Brit Ind CULS	129	-	10.0	7.8	-	-	-
75	62	Airsprung Group	75	-	4.7	6.4	11.6	16.0	-
51	33	Armitage & Rhodes	45	-	4.3	9.6	3.8	8.5	-
205	187	Burdon Hill	200	+1	9.7	4.9	9.7	11.8	-
107	100	CCL 1% Conv Pref	107	-	15.7	14.7	-	-	-
104	93	Deborah Services	63	-	6.0	9.5	3.1	5.9	-
121	97	Frank Horsell	127	-	6.4	5.0	11.4	23.5	-
53	33	Frederick Parker	78.4	-	6.4	8.2	4.0	7.6	-
76	46	George Blair	54	-	7.3	7.5	7.0	10.5	-
102	93	Ind Prec Castings	97	-	7.3	7.5	7.0	10.5	-
109	100	Jackman Group	97	-	15.7	14.4	-	-	-
113	94	1st Conv Pref	109	-	7.0	7.2	3.1	6.9	-
130	108	James Burrough	116	-	8.7	7.5	8.5	10.6	-
334	249	Robert Jenkins	252	-	31.3	12.4	3.5	8.9	-
64	51	Scruttons "A"	64	-	5.3	8.3	9.8	9.1	-
222	179	Torday & Carlisle	159	-	10.7	6.7	5.1	9.5	-
15	10	Twinkl Ord	14	-	-	-	-	-	-
50	36	Twinkl 15% ULS	79.7	-	15.0	18.9	-	-	-
41	25	Unilock Holdings	25	-	3.0	12.0	4.5	7.6	-
103	73	Walter Alexander	79	-	6.4	8.1	5.2	9.2	-
263	212	W. S. Yeates	231	+1	14.5	6.3	6.0	12.1	-

Prices now available on Prestel page 48146

THE RACING
INDUSTRY

By Sally White and Marcel Berlins

Racing and betting feed off each other. Where racing is of high quality, and known to be conducted honestly, people will bet to the tune of £2,600m a year, to the advantage of the bookmakers. In turn, racing depends on the bookies for much of its financing. For the prize money which is needed to attract high-class horses; capital improvements to the racecourses; the "integrity services" which ensure that British racing remains "straight", the support of breeding; and scientific research.

Mutual interdependence does not necessarily make for harmony. The racing and betting fraternities have just completed their annual wrangle on how much money racing needs. The Home Secretary adjudicated with the help of one of the City accounting groups, Spicer and Pegler, announcing a decision which was thought to have brought peace with honour. An increase in the rate of the betting levy of approximately 12 per cent, which will bring in about £20m in the 1982-83 racing season, was the decision from Mr Whitelaw. That was £4.4m short of the figure asked for by the Horserace Betting Levy Board.

Lord Plummer, the chairman of the Levy Board, declared himself reasonably satisfied. Lord Wigg, president of the Betting Office Licences Association, has

suggested that the accountants may have underestimated the bookmakers' rising costs. They employ about 80,000 of the 100,000 people in the racing business at 12,000 outlets. He added that the high rate of tax would lead to the growth of illegal betting. Where bookmakers could offer better odds because they would not be subject to the same overheads, expenses or controls.

The Horserace Betting Levy Board set up under statute in 1961 and given the task of assessing annually a toll to improve racing and breeding, collecting the money from the bookmakers and distributing it to the various claims. On the bookmakers' part it is a contribution, a levy amounting on average to about 0.88 per cent of net turnover. Relations between the racing and betting sides of the industry have usually been amiable. The Levy Board has paid in advance instalments by the big four bookmakers and many of the smaller groups for several years, and in return paid interest. This year the system has been changed following the Horserace Betting Levy Act of 1981, and all bookmakers will pay the levy in 12 monthly instalments.

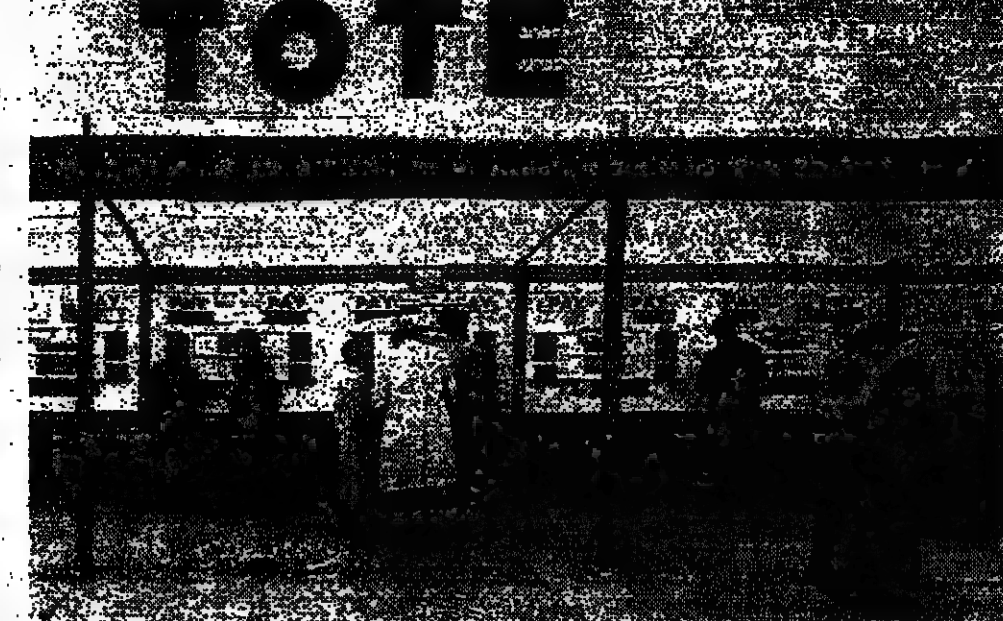
Although an increase in the levy is disputed as a matter of course by the bookmakers, this year's assessment — based as usual on the preceding year's turnover but with a significant addition — was challenged most vigorously by the bookmakers because the original request was for a 50 per cent rise. Bad weather earlier this winter reduced revenue and cut deep into bookmakers' profits. This happened only months after the unexpected decision of



Stephen Little: Praying for a "skinner" at each race

Part III: Gamblers pay out a fortune each year to the bookmakers who say that others should plough back money to benefit the industry

Odds in favour of sport itself



The chance to win a small fortune with either the Tote, which operates on a pool basis, or bookmakers, who offer a variety of bets, proves irresistible to British punters



The bookmakers may present a united front to outsiders such as the Levy Board, but there are differences within their own ranks. In particular between the small bookies and the giants. The Betting Office Licences Association (BOLA) represents the big four book-making chains, and there are also several smaller ones. But most small bookmakers belong to the National Association of Bookmakers (NAB). Of the 12,000 betting office licences in force at the end of May 1981, approximately 10,000 are held by shops which belong to the NAB. In terms of money contributed to the Levy, however, the proportions are reversed. Because contributions are based on turnover, BOLA members pay about 60 to 70 per cent of the total. The traditional bookies, by contrast, pay only about 10 per cent. The "starting price" odds offered by most bookmakers at the time the race begins.

HORSE RACE BETTING TURNOVER (Financial Years)

2 thousands

	1975/6	1976/7	1977/8	1978/9	1979/80	1980/1
On Course Bookmakers	53860	86050	108537	119585	168659	184175
* Totalisator	21400	19575	20000	20900	23900	23950
Totals	105260	105625	128537	140485	192559	208125
Off Course Bookmakers	1396426	1499184	1883498	1768376	2200170	2411670
* Totalisator	13240	12963	14253	See Above	See Above	See Above
Totals	1409866	1482157	1897751	1783376	2200170	2411670
Joint Totals	1514926	1587782	1826288	1905871	2392729	2619795

* From 1978 Tote figures refer to pool betting only

Vicar's son whose pulpit is
a pitch for the punters

By John Karter, Racing Editor

For Stephen Little, the son of a Lincolnshire vicar, the "skinner" is an expression for which you may search the scriptures in vain.

Given a computer-like facility for juggling figures and a passion for racing kindled while a boy (Little's great-grandfather was a judge at Calcutta racecourse and his uncle, Wilfred Crawford, still trains in Scotland), it was always a shade of odds on that he would forsake the cloth for the turf. Having made a book at school and taken his classmates to the cleaners, he decided to make bookmaking his profession.

Where he might have preached from the pulpit, Stephen Little now shouts the odds from his pitches on racecourses around the country. The "skinner" that he prays for each time he makes a book on a race is when a horse that no one has backed wins and there is no payout whatsoever. Contrary to popular belief, it is an uncommon event.

The commonly-held view of the bookmaker, that he is a fast car, living in a mansion and holidaying in the Bahamas, is certainly not borne out by most on-course bookmakers. Little, for example, who is regarded as the West Country's leading bookmaker, does not drive a Mercedes, but his "mansion" is a modest, semi-detached in Bath and his "exotic" vacations are usually a "busman's holiday" taken in Ireland.

His turnover is £1m-£2m a year, but his gross profit averages between 1 and 2 per cent. The "pitch" fees, travel expenses and staff (he employs a clerk and a "floor man" to lay off money for him and keep him informed of market fluctuations) which add up to about £100 a day — the little type of bookmaker is clearly not a large fish in the capitalist pool.

A bookmaker's calculation of odds is based on a notional payout (including stake) of £100 on each horse in a race. Different points are allowed for the various odds according to how much the punter

has to put on to get £100 back. For example, at odds of 10-1 he has to put on £9, which is counted as nine points. These points are adjusted to give a total that should in theory produce a profit — usually around 20 per cent.

But it is not quite as simple as that. These calculations assume that the horses will all be backed in those exact proportions, which is never the case. Some horses will be heavily backed and others will be lightly supported or ignored altogether.

Another problem is that in the ultra-competitive world of on-course bookmaking, only those with the best pitches attract the best

POINT TO POINT

Saunders in
rehearsal
for Grand
National

By Ian Reid

The third of the traditional "point-to-point" races over a course of 1.5 miles at Carlisle last Saturday, was won by a horse by Joey Newnam on Southern Exposure. The favourite, however, was a 10-1 shot, a 10-year-old gelding named Tom, ridden by a 10-year-old boy, Tom Saunders. He was not a member of the Carlisle Hunt, but he was allowed to join in the race for the benefit of a BBC television crew who wanted to film him in his native colours. He was ridden by the 10-year-old boy, Tom Saunders, who was the son of the Carlisle Hunt's secretary, Frank Gilman. He was not a member of the Carlisle Hunt, but he was allowed to join in the race for the benefit of a BBC television crew who wanted to film him in his native colours.

Peter Greenall won the archery six members race on Bungle, but his score of 110, odds-on favourite for the Men's Open, does not appear to stay there. He was beaten by Yorkshire Mariner.

Mackie and his rider, Didl, gave another scintillating display to land the Albright and Wilson Ladies' Open by a distance from the second, a 10-year-old gelding named Tom, ridden by a 10-year-old boy, Tom Saunders. He was not a member of the Carlisle Hunt, but he was allowed to join in the race for the benefit of a BBC television crew who wanted to film him in his native colours.

It was Ladies' Day at Kimble, where 300 ladies and their husbands and daughters of Lord Oakley, was the first woman to ride in the Pegasus Cup (bar) Members' race. She was a 10-year-old gelding named Tom, ridden by a 10-year-old boy, Tom Saunders. He was not a member of the Carlisle Hunt, but he was allowed to join in the race for the benefit of a BBC television crew who wanted to film him in his native colours.

In the Golden Valley's first open, Dickie, won all the running, holding Miss Friday's challenge by four lengths in the second time of the day. In the second, Dickie, won all the running, holding Miss Friday's challenge by four lengths in the second time of the day. In the second, Dickie, won all the running, holding Miss Friday's challenge by four lengths in the second time of the day.

Eight horses jumped the last fence almost in time in the Ladies' Open, won by a 10-year-old gelding named Tom, ridden by a 10-year-old boy, Tom Saunders. He was not a member of the Carlisle Hunt, but he was allowed to join in the race for the benefit of a BBC television crew who wanted to film him in his native colours.

Tom, where all stakes go into a pool, which is then shared (after administrative expenses have been deducted) by those who have bet on the winner, or at "starting price" the odds offered by most bookmakers at the time the race begins.

Second, there is ante-post betting, where the bookmakers offer odds days, weeks or even months before the race.

Third, it is possible in Britain to place a large variety of combination bets, and "accumulators" involving several bets at different rates, at different racetracks, even on different days.

The main question on the relationship between betting and racing remains how long the existing levy system can continue. Scots, who remain when the present dispute has been resolved. Bookmakers are already asking why only they (and the Tote) contribute to the Levy. Why should not a part of the profits made by breeders selling their yearlings for vast amounts go to support racing? Or some of the prize money won by owners? It is time, the bookmakers say, for some of the others to plough back for the benefit of the industry.

Niarchos seeks
top young
American jockey

Paris, March 24

Niarchos, the Greek shipping magnate, wants Cash Asmussen, one of the most promising young jockeys in the United States, to ride for him in Europe this season. His racing manager, Sir Philip Payne-Gallwey, had flown to the United States this week. It was likely that a contract would be signed.

Asmussen, aged 20, who lives in Laredo, Texas, has had spectacular success since he started riding four years ago. He was voted America's top apprentice in 1979.

The financial arrangements had already been negotiated, the sources said. Asmussen is to get Asmussen for the start of the season at Longchamp at the end of next week.

Francis Bourin, Niarchos's trainer, is known to Asmussen. He explained that his Christian name "My dad said that even if I were broke, I'd always have Cash." He comes from a racing family and is regarded by many as the most exciting prospect since Steve Cauthen, who came from the United States to ride in Britain.

Mr Payne-Gallwey is to give up riding before he takes over the training of Asmussen. West Sussex, aged 22, has been riding since he was three and after 10 years has many show jumping horses. He is not broken a horse.

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